Industrialisation and the Working Class: The Contested Trajectories of ISI in Chile and Argentina

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I hereby declare that this thesis has not been and will not be submitted in whole or in part to another University for the award of any other degree.

Signature……

UNIVERSITY OF SUSSEX

Adam Fishwick, DPhil in International Relations

INDUSTRIALISATION AND THE WORKING CLASS: THE CONTESTED TRAJECTORIES OF ISI IN CHILE AND ARGENTINA

SUMMARY

Research on import-substitution industrialisation (ISI) in Latin America continues to portray it as an aberration of state-led development inevitably condemned to failure and held up as an example of the mistakes scholars and policymakers must avoid. In this thesis, however, I show that this misunderstanding of a "model" that lasted several decades and brought gains to a wide array of socioeconomic actors is due to an inability of leading approaches – those that focus on institutions, ideas, and class – to understand the role of labour. Drawing on detailed primary and secondary empirical evidence on leading sectors in Chile and Argentina, my central claim is that workers determined the trajectories of ISI by contesting the effect of strategies pursued by firms and the state within the workplace. I show that ISI was no aberration, but that it comprised an intrinsically purposive set of strategies aimed at ameliorating or suppressing the real and potential resistance mobilised by workers. Through a novel theoretical synthesis, bringing into IPE innovations from critical labour relations theory, Marxist development studies, institutional theories of ideas, and Latin American labour history, I overcome the predominant perspective on labour that conceptualises workers' as inherently disruptive, but institutionally far weaker than other societal actors. The problem with such a view, I argue, is not that labour is absent, but rather that the way in which it has been understood leaves workers with little or no influence over a process that simply unfolded beyond their control. In this thesis, the result is a counter-narrative on the history of ISI in Chile and Argentina, with the relationship between measures aimed at establishing control over labour and the resistance this engendered firmly at the fore.

Tejedor – L. H. L

"Tejedor" que con hilos de tristezas
y con los hilos de illusion
vas tejendo la tela de tu vida
sin poder alcanzar, tu ambición.

Seguiras tejendo día a día
esta tela interminable de dolor
y en una "lucha" sin fin de metro a metro
para ese "capital" sin corazón.

"Tejedor" por que sufres en silencio
tu cabeza inclinada ante el telar.
Tejes para ganarte el sustento
para tu hambre que apenas alcanzas a mitigar.

"Cese" tejedor de ese silencio
busca tus derechos, que lo hallarás.
Unete a tus hermanos que te esperan
y junto lucharemos por la felicidad

(Poem published in *Obrero Textil*, 3rd April 1937)

Table of Contents

Acknowledgements ..... *i*

List of Tables ..... *iii*

List of Abbreviations ..... *vi*

Introduction

Import-Substitution Industrialisation and the Working Class 1

The Politics of Import-Substitution Industrialisation 4

The Politics of Production: Bringing Workers Back In? 12

The Structure of the Thesis 18

Chapter 1

Towards a Political Economy of the Working Class 22

Control and Discipline in the Social Spaces of Production 24

The Experience of Work and Resistance 27

Ideas, Institutions, and the Politicisation of Experience 31

Class Formation: Work, Resistance, and Subjectivity 34

Autonomy and the Political Subject of the Working Class 37

Producing the Working Class: Implications for Research 40

The Trajectories of ISI in Chile and Argentina 43

Chapter 2

Beyond and Beneath the "Compromise State" in Chile 44

From Export-Linked Industry to the Consolidation of ISI 46
Repression and the Radicalisation of the Politics of Industrialisation 55
The Limits of Reform and Revolution in the Breakdown of ISI 64
The Failed Consolidation of Repression, Reform, and Revolution 75

Chapter 3

The Continuities of State-Led Discipline in Argentina 77

Crisis, Conflict, and the Political Foundations of ISI 78
The Pacification of the Working Class and the Consolidation of ISI 87
Resistance and the Radicalisation of the Trajectory of ISI 96
The Limits of Repression and Revolution in the Breakdown of ISI 104
The Failed Fragmentation of Industrial Development 113

The Politics of Production in Textiles, Metalworking, and Automobiles 116

Chapter 4

Consolidating the Double Crisis in Chilean Textile Production 117

Textile Production and the Emergence of Workplace Conflict 118
Consolidating Expansion and Working Class Struggle 125
Continued Decline and Re-Organised Struggle in Textile Production 134
The Emergence and Consolidation of the Chilean Textile Sector 141

Chapter 5

The Limits of Modernisation in Metalworking and Automobile Production in Argentina 144

The Fragmentation of Metalworking and the Working Class 145
Consolidating State-Led Industrialisation and Workplace Conflict 152
Repression and the Resurgent Radicalism of the Working Class 160
Consolidating Metalworking and Automobile Production in Argentina 170

Chapter 6

Failed Revolutions in Chile and Argentina 173

Reform, Revolution, and the Rise and Fall of Socialism in Chile 175
Fragmenting Manufacturing and the Working Class in Argentina 187
The Culmination of Workplace Conflict and the Breakdown of ISI 198

Conclusion

Industrialisation and Bringing the Working Class Back In 201

The Workplace Politics of Production in Chile and Argentina 203
Towards an Alternative Trajectory of ISI 213

Bibliography 218

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Adam Fishwick, 2014

List of Tables

Table 1: GDP and Manufacturing, Chile, 1929-1938 49

Table 2: Legal and Illegal Strikes, Chile, 1932-1938 50

Table 3: Industrial Unions, Chile, 1932-1938 50

Table 4: GDP and Manufacturing, Chile, 1938-1948 52

Table 5: Average Annual Real Wages per Worker, Chile, 1940-1952 52

Table 6: Strikes and Participation, Chile, 1938-1945 54

Table 7: GDP and Manufacturing Value-Added, Chile, 1948-1952 57

Table 8: Real Industrial Wage Index, Chile, 1948-1952 (1955 = 100) 57

Table 9: GDP and Manufacturing Value-Added, Chile, 1953-1958 58

Table 10: Industrial Union Membership, Chile, 1948-1958 59

Table 11: Real Industrial Wage Index, Chile, 1952-1958 (1955 = 100) 60

Table 12: GDP and Manufacturing Value-Added, Chile, 1959-1964 62

Table 13: Real Industrial Wage Index, Chile, 1959-1964 (1955 = 100) 63

Table 14: Industrial Union Membership, Chile, 1959-1964 63

Table 15: Strikes and Participation, Chile, 1961-1964 64

Table 16: Real Industrial Wage Index, Chile, 1964-1970 (1955 = 100) 66

Table 17: GDP and Manufacturing Value-Added, Chile, 1964-1970 67

Table 18: Strikes and Participation, Chile, 1964-1970 68

Table 19: Industrial Union Membership, Chile, 1964-1970 68

Table 20: GDP and Manufacturing Value-Added, Chile, 1970-1973 71

Table 21: Real Industrial Wage Index, Chile, 1970-1973 (1955 = 100) 72

Table 22: No. of Strikes and Participation, Chile, 1970-1972 73

Table 23: Union Membership, Chile, 1970-1972 73

Table 24: GDP and Manufacturing Value-Added, Argentina, 1929-1936 80

Table 25: Real Wages in Buenos Aires (1925/1929 = 100), 1930-1936 81

Table 26: Strike Statistics, Argentina, 1925-1936 82

Table 27: Union Membership in Selected Sectors, Argentina, 1936 82

Table 28: GDP and Manufacturing Value-Added, Argentina, 1936-1943 84

Table 29: Union Membership in Selected Sectors, Argentina, 1941 85

Table 30: Strikes and Particpation, Argentina, 1925-1936 86

Table 31: Real Wages in Buenos Aires (1925/1929 = 100), 1936-1944 86

Table 32: GDP and Manufacturing Value-Added, Argentina, 1943-1952 89

Table 33: Real Wages in Buenos Aires (1943 = 100), 1945-1952 90

Table 34: Union Membership for Selected Industrial Sectors, Argentina, 1946-1954 ... 91

Table 35: Strikes and Participation, Argentina, 1943-1952 92

Table 36: GDP and Manufacturing Value-Added, Argentina, 1952-1955 94

Table 37: Real Wages in Buenos Aires (1943 = 100), 1952-1955 94

Table 38: Strikes and Participation, Argentina, 1952-1955 95

Table 39: GDP and Manufacturing Value-Added, Argentina, 1955-1958 97

Table 40: GDP and Manufacturing Value-Added, Argentina, 1958-1962 98

Table 41: Real Industrial Wage Index, Argentina, 1955-1958 (1955 = 100) 98

Table 42: Strikes and Participation, Argentina, 1956-1958 99

Table 43: Real Industrial Wage Index, Argentina, 1958-1962 (1955 = 100) 100

Table 44: Strikes and Participation, Argentina, 1958-1962 100

Table 45: GDP and Manufacturing Value-Added, Argentina, 1962-1966 102

Table 46: Real Industrial Wage Index, Argentina, 1962-1966 (1955 = 100) 103

Table 47: Strikes and Participation, Argentina, 1962-1966 103

Table 48: Details of the 1964 Struggle Plan, Argentina 104

Table 49: GDP and Manufacturing Value-Added, Argentina, 1966-1971 107

Table 50: Strikes and Participation, Argentina, 1962-1966 107

Table 51: Real Industrial Wage Index, Argentina, 1966-1971 (1955 = 100) 108

Table 52: GDP and Manufacturing Value-Added, Argentina, 1971-1976 111

Table 53: Real Industrial Wage Index, Argentina, 1971-1976 (1955 = 100) 112

Table 54: Strikes and Factory Occupations, Argentina, 1973-1976 112

Table 55: Textile Production Growth, Chile, 1941-1950 127

Table 56: Real Wages and Profits in the Textile Sector, Chile, 1940-1950 127

Table 57: Automated and Manual Spindles and Looms, Chile, 1947 129

Table 58: Output, Employment, and Productivity in Textile Production, Chile, 1958-1964 136

Table 59: Value-Added and Employment in Selected Sectors, Argentina, 1946-1954. 154

Table 60: Selected Manufacturing Sectors, Argentina, 1954-1964 162

Table 61: Vehicle Production per Firm, Argentina, 1960-1966 163

Table 62: Output, Employment, and Productivity in Textile Production, Chile, 1964-1970 177

Table 63: APS Output for Selected Firms, Chile, 1970-1971 178

Table 64: Automobile Production per Model, Argentina, 1966-1976 189

List of Abbreviations

ACINDAR	Argentine Steel Industry
AFL-CIO	American Federation of Labour and Congress of Industrial Organizations
APS	Social Property Area (Chile)
APM	Mixed Property Area (Chile)
BCIA	Industrial Credit Bank of Argentina
CAIM	Argentine Chamber of Metalworking Industries
CEPAL	Economic Commission for Latin America
CGE	General Economic Council (Argentina)
CGT	General Confederation of Labour (Argentina)
CGTA	General Workers Confederation of Argentinians
CORFO	Production Development Corporation (Chile)
CTCH	Chilean Workers' Confederation
CUSC	Committee of Class Struggle Unity (Argentina)
CUT	Unified Workers' Central (Chile)
DINIE	National Directorate of State Industries (Argentina)

FAE	Special Alloys Factory (Argentina)
FENATEX	National Federation of Textile and Clothing Workers (Chile)
FIAP	Italian-American Cloth Factory (Chile)
FIAT	Italian Automotive Company Torino
FOCH	Chilean Workers' Federation
FORA	Argentine Regional Workers' Federation
GAN	General National Agreement (Argentina)
GDP	Gross Domestic Product
GM	General Motors
GOCA	Group of Combative Steelworkers (Argentina)
GODA	ACINDAR Workers' Group (Argentina)
IAME	State Aeronautical and Mechanical Industries (Argentina)
IAPI	Argentine Institute for the Promotion of Trade
IKA	Kaiser Industries Argentina
IMF	International Monetary Fund
IMSA	South American Metalworking Industry (Argentina)
ISI	Import-Substitution Industrialisation
IWW	International Workers of the World
MBA	Mercedes Benz Argentina
MIR	Revolutionary Left Movement (Chile)

MOxLAD	Montevideo-Oxford Latin American Economic History Database
NEH	New Economic History
ODEPLAN	National Planning Office (Chile)
OECD	Organisation for Economic Co-operation and Development
OCPO	Communist Workers' Power Organisation (Argentina)
PC	Communist Party (Chile)
PCR	Revolutionary Communist Party (Argentina)
PDC	Christian Democratic Party (Chile)
PN	National Party (Chile)
POR	Revolutionary Workers' Party (Argentina)
PRT	Revolutionary Worker's Party (Argentina)
PS	Socialist Party (Chile)
PST	Socialist Workers' Party (Argentina)
SIAM	Mechanical Industrial Mixers Section (Argentina)
SITRAC	Concord Workers' Union (Argentina)
SITRAM	Materfer Workers' Union (Argentina)
SMATA	Union of Mechanics and Automotive Transport Workers (Argentina)
SOIM	Metalworking Industry Workers' Union (Argentina)
SOMISA	Argentine Mixed Steelworking Society

TAMET	San Martín Metalworking Workshops (Argentina)
TNC	Transnational Corporation
UIA	Argentine Industrial Union
UOM	Metalworkers' Union (Argentina)
UOT	Textile Workers' Union (Argentina)
UP	Popular Unity (Chile)

Introduction

Import-Substitution Industrialisation and the Working Class

Import-substitution industrialisation (ISI) has long provided a cautionary tale for scholars and policymakers proclaiming the limits of twentieth century state-led development in Latin America. From the "familiar leviathan" of an overbearing state apparatus supporting bloated and inefficient domestic manufacturing, to an indefensible "aberration" of bad timing, rapidly rising inflation, and closed economies, to, in the bluntest terms, the predilection of "predatory or rent-seeking governments", ISI continues to be the subject of widespread condemnation (Coatsworth and Williamson 2004: 224; Bulmer-Thomas 2003: 279; Sapelli 2003: 3). The ubiquity of this view, moreover, pervades even leading examples from the international political economy (IPE) literature. For scholars in this field ISI "exemplified the costs of the elusive quest for national autonomy" and inadvertently reproduced inflexible political and economic institutions that stymied any potential for rapid, long-term industrial growth (Haggard 1990: 2; Taylor 1998: 3-9; Lin 1988: 154-161). The cautionary tale of ISI, understood as a model riven by intrinsic contradictions in design and implementation, is the starting point for analysis of twentieth century economic development in Latin America.

One of the most significant themes in these analyses of ISI is the trajectory towards "exhaustion", a view emphasising various limitations contained within the model itself. Interestingly, it was initial advocates of ISI who were the first to draw attention to this "internal" characteristic. Leading Latin American development economists in the 1960s pointed to a variety of structural inefficiencies resulting from the ostensibly skewed priorities of policymakers and firms in the region. A continued reliance on exports of raw materials and capital goods, the failure to improve incomes in non-industrial

sectors, the persistent concentration of income, problems of productivity and profitability, low rates of investment, and the small size of domestic markets were all raised as serious causes for concern (Kay 1989: 41-46). Within this theme, however, it is the exhaustion of the "early phase" that has become most prominent in contemporary literature. This is where the story begins and also, for many, where it ends, providing scholars with much of the answer as to why ISI in Latin America was doomed to fail. In response to the economic crises of the 1930s, it is argued, manufacturing was free to boom, with small-scale establishments proliferating to replace declining consumer goods imports in the domestic market (Haggard 1990: 24-26). Yet once domestic consumption became saturated, and as the incentives to raise productivity were nullified, ISI entered into a path of low investment and growth from which it would never recover. Attempts at redistribution, in particular, provided little solace as economic stagnation took hold (Taylor 1998: 20-21; Hirschman 1968: 11-12). Instead, with any early dynamism rapidly grinding to a halt, this redistribution, and the populist politics it was associated with, came to provide a new intractable burden.

It is this starting point, the early exhaustion of the model and the search for solutions in extensive growth and redistribution, which are understood as characterising the next phase of the model's consolidation. Despite emerging critiques and the ostensible weaknesses of ISI, policymakers across the region are understood as having taken the irrational decision of expanding, with some caveats, the combination of state protection and limited redistribution that was moving the model closer to its collapse. Most importantly for this cautionary tale, the motivation for these strategies derived from the need to sustain the support of an "urban political constituency" comprised of domestic firms and industrial labour, a support that, in turn, could only be maintained by subsidised growth in manufacturing output and ever increasing wages (Haggard 1990: 38-42; Bulmer-Thomas 2003: 299; Sheahan 1987: 78-84). Yet the inability of domestic production to compete with multinational firms, the stagnation of private investment, and mounting public debts meant these measures did little to arrest the slide into decline, whilst ongoing selective state support exacerbated the inefficient "hierarchical" relations being established (Haggard 1990: 26; Coatsworth 2005: 128-129; Schneider 2009: 10-11). It was, in this view, decisions taken in support of those already benefitting from ISI that were reproducing and deepening the model's underlying exhaustion.

For advocates of the cautionary tale of ISI, the final phase was a violent breakdown. The "violence" of this breakdown occurred both in terms of the sudden and relatively comprehensive rejection of ISI as a viable economic model and in terms of the combined political and economic violence of military takeovers and economic crises that heralded the end of this period. Those advocates of the cautionary tale argue that this breakdown resulted from those core features of ISI that had been established and that consolidated inefficiencies throughout the economy. There was, in this perspective, a pervasive irrationality behind the continuation of ISI by policymakers of the time. Increasingly unmanageable public debt, the proliferation of small, inefficient establishments, and the growing capital intensity of investment, for example, provided warning signs that were either accidentally missed or wilfully ignored (Bulmer-Thomas 2003: 242 & 276; Haggard 1990: 241-246 & 217). Most significantly, earlier wage concessions and populist social policies that had ensured support for ISI from industrial labour are claimed to have created intractable economic and political constraints. For example, it is claimed that attempts at wage compression, ostensibly necessary for addressing low levels of profitability and investment in the region, were stymied by the intensifying political conflict (Haggard 1990: 38). In this view of ISI as a cautionary tale, therefore, it was the very aspects that had enabled its earlier emergence and the measures taken to ensure its consolidation that had mutated into conditions that ensured its breakdown into economic crisis and, in many instances, violent political upheaval.

The failure of ISI, in this perspective, was the failure to ensure a rational transition to a more appropriate model, with the decisions of the state taken to placate domestic demands producing deep-rooted political tensions and contributing to the violence that accompanied the model's demise (Haggard 1990; Taylor 1998: 7-9; Huber 2002). The two cases I examine in this thesis, Chile and Argentina, are, alongside Brazil and Mexico, used to exemplify this archetypical trajectory of ISI and to demonstrate how, regardless of the context, it was destined to this end. Argentina, on the one hand, ostensibly provides a clear case supporting the cautionary tale. Its frequent upheavals in political leadership, explicitly politicised context of policymaking, and overbearing state apparatus made collapse, from this view, all but inevitable. Chile, on the other hand, appears initially as a challenge. Its domestic political stability and buoyant primary export sector seems to contradict much of the cautionary tale, inasmuch as limits on

state expenditures and capabilities had, to an extent, been overcome. Yet Chile too faced rampant inflation, a dysfunctional manufacturing sector, and widespread social conflict, an experience that only reinforces the view that Latin American ISI was destined to fail.

However, this understanding of ISI has led us only to the point of it being only "roundly condemned but perhaps poorly understood" (Love 2005: 103). It is the reason for the persistence of ISI, despite the ostensible limitations, and for the timing and violence of its breakdown in so many cases across the region that remain unclear. Two questions, I will argue, remain unanswered. First, if ISI was so irrational and disruptive, then why did it persist in many countries across the region for over four decades? Second, after continuing in various guises for so long, why did its breakdown occur when it did and with such violence? The central claim I will make in this thesis is that it is only by understanding worker's determining role in the trajectory of ISI that these questions can be adequately addressed. Workers' significance to these questions, in the view I adopt, is neglected all too often and too easily. After all, they appear very distant from the decisions of policymakers and the strategies of firms. Moreover, whilst their struggles over wages and redistribution are seen to be necessarily disruptive, as political actors they are understood as being institutionally weak (Haggard 1990: 37). Yet as I will demonstrate, this paradox of institutional weakness is belied by workers' influence as political subject exercised from within the workplace. Crucially, it was workers' collective ability to confront strategies of firms and the state in their pursuit of industrial transformation that determined the emergence and consolidation of ISI and its collapse.

The Politics of Import-Substitution Industrialisation

The cautionary tale and its explanatory limits have been addressed by three alternative perspectives that seek to answer these questions and explain, respectively, the decisions of the state to support and protect inefficient forms of industrial manufacturing, the instabilities that arose from the consolidation of these measures, and the intractability of political tensions that engendered their breakdown. The first approach emphasises the continuity and steady evolution of economic institutions that determined the emergence

of ISI around the proliferation of inefficient industrial structures (Cárdenas *et al* 2000a & 2000b; Thorp 2000). The second approach explores the prominent ideas that sought to consolidate ISI within these institutions through relatively progressive visions of redistribution and growth (Sikkink 1991; Hira 1998). The third approach shows how the dynamics of class conflict imposed fundamental contradictions that could only be overcome through a radical overhaul of ISI (Cardoso & Faletto 1979; Weaver 2000; Stallings 1978; Silva 2007). Each of these responses to the cautionary tale provides important insights into how ISI came to be established in its "inefficient" forms, how it failed to ensure a stable consolidation, and why the deepening tensions around the model could not be overcome. Nevertheless, each perspective leaves unanswered questions about the significance of workers in determining these outcomes, which, in turn, raises further problems for the explanation of how ISI persisted and why it collapsed. Most significantly, workers are not neglected, but are, instead, rendered external to the unfolding of ISI by persistent conceptual limitations of these approaches.

Institutions and the Evolutionary Trajectories of ISI

One of the most important contributions aimed at overcoming the cautionary tale comes from New Economic History (NEH), which, in particular, explains the historical origins and evolution of the ostensible inefficiencies that characterised ISI. In this perspective, ISI is not a useful label. Instead the terms "state-led industrialisation" or "accelerated industrialisation" more accurately capture the dynamics of "a process accompanied by a thorough transformation of the particular economies and societies" that began long before the 1930s (Cárdenas *et al* 2000c: 2). The main impetus for industrialisation was not the growth in demand triggered by redistribution or the closing off of the economy by external crises, but rather a series of supply-side phases that gave it increasing impetus. First, there was a natural process of export expansion that increased the capacity for investment in non-traditional activities. Second, there was an evolution of protection resulting from institutional intuition and changing external constraints. Third, international balance of payments crises after the Second World War exacerbated and consolidated these protectionist measures. Fourth, manufacturing exports were promoted to strengthen the domestically-oriented manufacturing that had emerged (*ibid*:

9-11). Thus, rather than the Depression engendering a necessarily limited "easy phase", the crises it produced simply exacerbated this ongoing evolution of industrialisation.

Most significantly, rather than there being a dramatic change in the institutional and industrial structures of manufacturing during the 1930s, there was a strong degree in continuity across three key aspects of "accelerated" industrialisation. First, modern manufacturing was relatively widespread throughout the region prior to 1930. Important household names in Argentina, such as Bunge y Born and SIAM Di Tella, had already been established, whilst in Chile the world's fifth largest cement works was in operation alongside various multinational subsidiaries (Bulmer-Thomas 2003: 40; Katz & Kosacoff 1989: 48; Palma 2000a: 44-45). Second, much of the impetus for industrialisation in the aftermath of the Depression was derived from the continued success and recovery of various export sectors. In Argentina, protection for textile production was continually blocked by the British during the 1930s, but still continued to grow at an increasing pace, whilst in Chile, earlier successes meant manufacturing had developed an autonomy from the export cycle that rendered it the new "engine of growth" (Bulmer-Thomas 2003: 127-128; O'Connell 2000: 185; Palma 2000a: 63). Third, economic institutions of the state had already begun to stimulate industrial manufacturing. Tariff revisions in 1897, 1916 and 1928 were the origins of protectionism in Chile, whilst, in Argentina, policymakers inadvertently boosted manufacturing in the early twentieth century by supporting rural producers and using tariff policy as a means to keep down consumer costs (Thorp 1998: 121; Palma 2000b: 240; Palma 2000a: 48; Díaz Alejandro 2000: 31; Cortés Conde 2000: 284).

This perspective, then, makes a highly significant contribution to understanding the emergence of ISI across the region. The weaknesses associated with ISI did not emerge as a model but rather they represented the culmination of a series of incentives and imperatives derived from global and domestic political economies with origins deep within the nineteenth century. As such, the emergence of an "easy phase", the main locus around which much condemnation of the period focuses, is belied by the long-run institutional continuities that engendered particular contexts for the emergence of ISI throughout the region. NEH offers a stark critique of the "monoeconomics" that pervades these interpretations and offers space for the historical diversity that was experienced throughout the twentieth century (Kuntz Ficker 2005: 159). In different

cases throughout the region, the evolving institutional configurations in the state and the structures of industrial manufacturing led to the emergence of distinctive trajectories of ISI. Such a perspective, as such, moves away from ISI as a "model" with inherent limitations and refocuses on the historical constitution of distinctive policy responses.

However, in making this shift away from the intractable and inevitable contradictory tendencies of Latin American ISI to the diverse and historically-determined institutional configurations of specific countries, NEH encounters familiar problems. Deriving its theoretical heritage from the institutionalist models created by Douglass North, it emphasises the steady and cumulative character of social change contained within a relatively stable political-institutional context (Thorp 1992: 188). Thus, whilst it does well to displace the predominant monoeconomics, it tends only to replace it with a relatively stable mono-institutional domestic context, in which economic and political institutions accumulated rather than constituted growing political tensions. For NEH, the determinants of the establishment of ISI and its limitations are delimited to engagements within and around these institutions. Labour, then, is part of the collection of actors whose interests build pressure on prevailing institutions, as one amongst a plethora of "other" social actors (Thorp 1998: 10). Workers' role, therefore, is reduced to little more than a constraint over the process of institutional change and evolution. This perspective, as such, does not explain how the political tensions that placed limits on ISI accumulated beyond the institutions themselves. Instead, these tensions are seen to be the inadvertent consequences of irrational decisions seeking to meet the varying demands of groups acting outside, rather than within, the unfolding of ISI.

Ideas and the Institutionalised Meaning of ISI

A second perspective that challenges the narrative of the cautionary tale seeks, instead, to situate these tensions in the consolidation of ISI around the articulation and implementation of ideas characterised by their remarkable similarity and consistency throughout the region. ISI represented "maybe for the first time, a theoretical paradigm [that] became a development program, consciously followed by national governments" (Kuntz Ficker 2005: 149). One of the driving forces behind this was the Economic Commission for Latin America (CEPAL), the organisation in which many of the policy

measures implemented by national governments were articulated in theory. Several influential government officials first worked at this institution and regular seminars organised at its base in Santiago were attended by leading economists from across the region (Love 1996: 251; Love 2005: 103). CEPAL, therefore, was the most concrete manifestation of the shared economic policy ideas that consolidated ISI. As well as providing important institutional space in which they could be articulated, CEPAL also developed important mechanisms and networks for their dissemination, permitting the formalisation of the model in theory and its implementation in practice.

The influence of CEPAL over ISI, however, is not overstated. In fact, there is ample evidence provided by scholars emphasising ideas that initial policy experimentation often preceded the formalisation of theory. The institution simply provided "a scientific rationalization for an ongoing process and a justification for governments to adopt import-substituting industrialization more overtly and vigorously" (Kay 1989: 36). Many of the ideas formalised in theory and disseminated throughout the region were reflective of the policy measures that states were already pursuing. CEPAL, despite articulating and disseminating these ideas, was "simply push[ing] hard in the direction that history was already moving" (Love 2005: 103). The consolidation of ISI, therefore, was an engagement between the changing concrete conditions of domestic political economies and the ideas being developed to resolve the problems that this engendered. In many instances, it was domestic policymakers and economists that, driven by the local contexts in which they were operating, consolidated ISI. Consolidation was not the implementation of an abstract model, but rather a loosely connected series of ideas responding to the shifting domestic contexts of Latin American industrialisation.

To begin with, important institutional spaces for ideas were established in diverse national contexts. In Chile, the Production Development Corporation (CORFO) was integral to the formation of an "ideology of industrialisation" and dissemination of economic research, whilst, in Argentina, the establishment of institutions like the Postwar National Council and Industrial Credit Bank were important in diagnosing crises and ensuring the influence of university-educated economists (Silva 2008: 86; Ffrench-Davis *et al* 2000: 128; Teubal 2001: 35; Girbal-Blacha 2003: 39 & 48). From within these institutions, important ideologically-driven programmes consolidated ISI in distinctive domestic forms. Developmentalism in Argentina during the 1950s and 1960s

was the outcome of a specific critique of previous economic policies, but quickly fell apart around its inadequate compromises and the failure of any institutional spaces to offer a proper "institutional home" (Sikkink 1991). In Chile, despite efforts to address redistribution and improve exports in response to the growing inequality and stagnation pervading industrialisation, reformist ideas mobilised during the 1960s were unable to convince their political opponents and only exacerbated existing tensions within the state (Hira 1998). As a result, ideas articulated and implemented in the consolidation of ISI failed because they were unable to address the tensions within these institutions.

Such a perspective has been formalised around social constructivism, particularly as espoused by Mark Blyth (2002). In this perspective, ideas function at five levels: they resolve uncertainty in the face of crisis, they allow for the formation of coalitions and collective action, they provide weapons and blueprints in pursuit of this action, and they stabilise new institutional configurations. The ideas that consolidated ISI offer an important illustration of this framework. Ideas articulated and disseminated by CEPAL and domestic officials addressed uncertainty during the 1930s, they helped consolidate political alliances that allowed the implementation of these measures, they relied on critiques of previous frameworks, they provided directions for resolving persistent crises, and they attempted to stabilise new institutional configurations and address emerging political tensions. In each of the cases across the region, ideas were central to the consolidation of ISI as a "model" in a manner that was determined by domestic institutional opportunities and constraints and the capabilities of political elites.

Yet in situating the conflicts that surrounded the consolidation of ISI in the domain of international and domestic institutions, identifying them with the competing ideas of actors within these institutions, and conceptualising their implementation as the transmission from these institutions to the wider political economy, this perspective delimits the breakdown of distinctive forms of ISI to the failure to find a proper "institutional home" or the inability to placate tensions within state. It restricts the causes of its breakdown to a few political actors who failed to embed their visions of industrialisation within prevailing institutions. Nevertheless, the constraints on these efforts are not necessarily limited to engagements within these political institutions themselves. For example, Sikkink (1991: 117-118) argues labour mobilisations were integral to ensuring the attempt to consolidate particular ideas about ISI in Argentina

was a failure. Yet this conceptualisation of labour, as a disruptive force preventing the stable consolidation of a set of ideas about policy, acts, once again, to reproduce the notion that labour was external to the unfolding of ISI, attempting only to secure gains from outside the process. Workers are not ignored and, to an extent, are given a clearer role than in the cautionary tale or the NEH critique, but they are still marginalised. They are reduced to passively accepting changes imposed from within political institutions or to disrupting unfavourable decisions. Labour, therefore, is capable of being active only in placing constraints on the consolidation of policy models and ideas that inform them.

Class and the Contested Social Formations of ISI

The breakdown of ISI, as caused by intrinsic internal contradictions or the failure of political elites to generate consensus, is an aspect of ISI that a third perspective emphasising class also seeks to explain. Dependency theorists, alongside contemporary scholars emphasising the role of imperialism, have located the reasons for the collapse of ISI in the interests and actions of powerful actors in the "metropolis", or imperial centre, of global capitalism (Galeano 1997; Weaver 2000). The seminal work of Fernando Henrique Cardoso and Enzo Faletto (1979), moreover, has moved away from such an overarching emphasis on the global.[1] Industrialisation was a phenomenon bounded by the constraints of the global economy, but determined by the "mode of domination" within the class structure of a domestic political economy. In the case of ISI this comprised the "ascendant middle classes, the urban bourgeoisie, and sectors of the old export-import system" acting alongside the state as an instrument of domination representing this dominant social formation (Cardoso & Faletto 1979: 129). Dependency and imperialism, therefore, were mediated by prevailing domestic class formations and, which produced and only partially suppressed the fundamental political tensions rooted within these relations of domination.

[1] Recent work on Uneven and Combined Development (UCD) has highlighted the complementarity of global and local changes in capitalist development. Much of this work has focused on addressing the emergence of diverse capitalist social relations globally during the nineteenth and early twentieth centuries, but recent work by Selwyn (2011) has placed these ideas firmly in the context of contemporary "catch-up" development. Whilst this perspective provides an innovative lens for understanding the interconnectedness of global and local political economies, it is a conceptual debate emphasising a theorisation of the "international" that falls beyond the bounds of this thesis.

These relations of domination, moreover, relied specifically on the state to express distinctive forms of political control. Yet the state cannot be translated as simply an expression of a dominant social formation. Instead, it is its "relative autonomy" that was most significant. The state was a site of deep-rooted conflict over competing visions of industrialisation, whilst specific institutions within the state, or "nodal agencies" often clashed directly with dominant social classes as they attempted to implement policy measures, experiencing changing capabilities in the pursuit of their aims (Chibber 2005; Kohli 2004: 20; Chibber 2003: 21). Thus the role of state in the tensions that were generated around ISI were as neither a stable site buffeted by the winds of social struggle, nor as an institutional space within which political elites attempted to create consensus around their ideas. Instead, they acted both as a mediator of wider social conflicts between classes and as actors pursuing strategies in support of, and occasionally in opposition to, dominant classes and the social formations around them.

The tensions generated within and around these social formations, moreover, were integral to the breakdown of ISI, which was consolidated around fragile domestic social coalitions. The "urban political constituency" made up of labour, domestic industrialists, state bureaucracies, the ascendant middle classes, and, in some cases, foreign firms was in a state of constant conflict as dominant and subordinate classes attempted to impose their demands. In Chile, such tensions made ISI unviable. Attempted compromises between intrinsically conflictive interests were necessarily unstable and only able to sustain particular strategies for a short period of time. Moreover, the relative weakness of the domestic bourgeoisie in consolidating a trajectory around its own interests meant that these tensions, or the limits of the "born dependent" manufacturing sector, could not be overcome (Stallings 1978: 231-232; Vitale 2011: 592-593). The "socio-political support coalitions" that engendered ISI were forced, due to this weakness of the bourgeoisie and the inevitability of conflict, to be relatively inclusive and advance limited progressive measures that only exacerbated conflict (Silva 2007). It was these weaknesses of dominant social formations, therefore, that undermined the consolidation of ISI and created the conditions for its breakdown.

These perspectives on class, the inherent instability of domestic social formations, and the active roles played by the state and the international political economy provide important insights into the breakdown of ISI. Powerful actors within the international

political economy, alongside powerful domestic political actors, played a crucial role through the pursuit of their own interests. The relative autonomy of the state and its capabilities in mediating the demands of dominant classes and acting to support or oppose these actors generated tensions over the implementation of economic policy. Social conflict then determined the potential for the articulation and implementation of such policy measures, with the institutions of the state creating rather than accumulating tensions. Thus fragile political compromises, the weakness of the industrial bourgeoisie, and its tense relations with institutions of the state constituted the breakdown of ISI.

Nevertheless, the focus on the dominant actors within these social formations, on their role in mediating the impact of the international political economy, and their engagement with the policymaking apparatus of the state, again delimits the role of labour as being necessarily disruptive of their decisions. Labour is not ignored and, in fact, of these three perspectives, it is most comprehensively incorporated into the analyses. Silva (2007), for example, argues that their struggles for inclusion within the dominant social coalition inadvertently encouraged the implementation of progressive policy measures in Chilean ISI. Yet by framing these as the struggle for inclusion and the outcomes that are produced as inadvertent, workers are presented as necessarily external from the decisions taken by firms and the state. Rather than conscious strategies pursued by workers, firms, and the state, the conflicts pursued by labour are reduced, once again, to the pursuit of gains against an existing institutional system.

The Politics of Production: Bringing Workers Back In?

Whilst these perspectives provide important insights into ISI, challenging prominent narratives of caution and condemnation, they also reproduce the limitations on how it can be understood. The cautionary tale, and these responses to it, cannot explain why ISI persisted or the timing and violence of its breakdown because they are not able to incorporate the working class. The problem, therefore, is not simply that they “ignore” labour, but, instead, it is the manner in which workers’ (limited) political influence is conceptualised. Workers are externalised because, in these perspectives, ISI was

determined within and around institutions within which workers were not represented. It is inevitable, therefore, that workers are reduced to little more than an "interest group" seeking gains from a process over which they have little or no substantive influence to constitute to their own ends (Chang 2013). Interestingly, moreover, this reproduces the paradox in which workers' struggles are necessarily disruptive, but workers themselves are seen to have little choice but to passively acquiesce to changes imposed by firms and the state. In this thesis, however, I will argue that by situating the determinants of ISI within and around the workplace, this can be overcome and workers can be instead be understood as directly constitutive of the changes that came with industrial policy, technological innovation, and the rapid expansion of domestic manufacturing. I will build on varying perspectives on the political influence of workers, from structural determination to "social subjects", to establish an integrated methodological framework that connects work, resistance, and subjectivity to understand the formation and political influence of the working class as a political subject over the trajectories of ISI.

The Limited Political Influence of Labour

The political influence of "labour" can be conceptualised around its structural determination and its institutional manifestation. First, labour struggles are the result of workers' structural location as direct producers within capitalist social relations. Second, these are pursued on their behalf by the political institutions of labour that represent them, the trade unions and political parties of the Left. These aspects are an invaluable starting point for the reconsideration of trajectories of development that incorporate workers as integral to processes that, typically, are represented as being imposed upon them and against which they seek only to acquire the most substantial gains. History is a process that should be understood through a "two-sided" model. Socioeconomic change, such as the emergence, consolidation, and breakdown of ISI in Latin America, has to consider the "conflicts, tensions and accommodations with and between dominant and subordinate classes" (Roxborough 1984: 23). Thus it is only through an analysis of the inherently conflictive relations between classes, and most importantly of the role played in these tensions by subordinate classes continually seeking political inclusion, that these processes can be understood (*ibid*: 23-4). In this

perspective, therefore, ISI cannot be understood as imposed from above, but rather, must be seen as having been directly constituted by the political influence of labour.

Concretely, this influence determined the trajectories of economic development in the region, even prior to the widespread establishment of national trade unions and legal collective bargaining in the twentieth century. Labour history in Latin America has recognised this influence, particularly from a Marxist perspective. Workers were integral to the early emergence of industrialisation in the nineteenth century, as well as during the twentieth century. Early forms of organisation, mobilised in some of the continent's leading export sectors, played a vital role in the political history of major economies, including Chile, Argentina, Venezuela, and Colombia. During the twentieth century, moreover, these actors exercised an often overlooked influence derived from the structural location of these earlier labour movements and the conditions that emerged in the establishment of export-led economies (Bergquist 1986: 13-14). Therefore, it was from these strategically significant structural locations that the extent of workers' organisation and the degree of their political influence was determined.

Guillermo O'Donnell (1979), moreover, in his seminal work shows that the unfolding of ISI was intimately linked to efforts targeting control over labour through the very institutions that represented it. He convincingly demonstrates that the actions of the state after the initial phase of industrial development in Argentina were characterised by concerted efforts aimed at controlling labour, or "the popular sector", through restrictions on democracy, the "domestication" of the trade unions, and the channelling of political representation of all social sectors into organisations over which the state has ultimate control. These policies, he claimed, were explicitly tied to the developmental activities and goals of the state (O'Donnell 1979: 88-89). His argument contributes an important perspective on the centrality of labour policy to the industrial transformation pursued during the period of ISI. He highlights the importance of the timing of legislative measures to ensure control, of limited institutional representation and repression of worker mobilisation, and of tacit acceptance of these controls.

Understanding the political influence of labour as a constitutive part of the "two-sided" model of economic history, as an actor determined through its structural location in strategic areas of the economy, or as continually constrained by the state provides a

useful starting point for understanding workers' significance. Yet the structural determinations of political influence and its manifestation in political institutions obfuscate important aspects of political subjectivity. Focusing primarily on structural determination of labour in its struggles against capitalism delimits the contested forms through which these were manifested. Throughout the nineteenth and twentieth centuries workers adopted contested, and often contradictory, patterns of resistance and mobilisation that cannot simply be reduced to the structures of dependency established in the sixteenth century (Adelman 1991: 184). Focusing on the influence of workers as exercised through the political institutions of labour, moreover, repeats the mistakes Ian Roxborough claims were made by dependency theorists who assumed that dominant classes existed in coherent forms because of the existence of institutional political actors (Roxborough 1984: 19). Moreover, even O'Donnell's (1979) argument demonstrates an over-reliance on institutional factors that allows it, for example, to be easily dismissed by Haggard (1990: 38-39) who simply points to the divergent timings of legislative measures. It is necessary, therefore, to move on beyond these structural and institutional determinants of "labour" and towards an understanding of the workers themselves.

The Limited Political Influence of the Worker

It is essential that any understanding of the political influence of the working class moves past notions of structural determination and institutional manifestation. The "essentialism" of structural determination, for example, continues to lead us away from workers themselves, obscuring important aspects of their struggles against firms and the state as well as "the variety of manifestations of this contest" (Adelman 1991: 178). The struggles workers engage in are determined by a multiplicity of factors rather than abstractions taken from their structural location. These structural locations within capitalism are only one factor determining the veracity and impact of mobilisation, whilst institutions are just one form of these mobilisations. Workers, therefore, are active as specific subjects, tied to diverse historical trajectories, even within the same structural locations, which means that these subjectivities require further explanation.

Moving from abstract categories of labour and to the specific subjects of workers engaging in struggles within and against capitalism moves our starting point for

overcoming the problem of incorporating workers. The outcomes of influence are to be understood not in terms of the "macro-politics of labour", but rather of the particularities of the "social subject" that we are trying to bring back in to our analysis (Wolfe 2002: 245-246). To do this, then, we must consider not just workers' direct relation to capital, but the concrete situation of their lives inside and outside the workplace, their history, and their popular memory. Workers should not, moreover, be subsumed beneath the political institutions of labour which are often, directly or indirectly, seen to define the extent and limits of political interests and influence (*ibid*: 254). Structural determination and institutional manifestation are two ends of the complex spectrum through which workers generate resistance and mobilisation in concrete, contested, and sometimes contradictory ways. Starting from the "macro-politics" of labour reduces and obscures the struggles themselves, whilst starting from the subjects engaged in these struggles can move beyond "assuming that a certain set of extant political structures shape individual workers in 'labour'" (*ibid*: 259). Doing away with "labour" and returning to the worker allows us to bring these subjects and the multiplicity of their determinations back in to our analysis without relying on abstract assumptions about subjectivity, political interest, or political influence.

This perspective, starting from a critique of labour "essentialism" and providing a way to conceptualise workers as "social subjects", provides another important set of determinations for conceptualising and incorporating the political influence of the working class. Yet, when taken to its logical conclusion, it restricts the extent of its influence and creates difficulties for understanding this beyond that of a simple "interest group". Rather than focus upon workers experiencing the world around them and acting collectively as a class, this perspective centres attention upon workers as individuals. It leads away from the potentially fruitful similarities in the experiences of work and production that determine the collective, but contested, formation of political subjectivities. Thus in attempting to avoid a reproduction of "macro-politics of labour" devoid of social subjects, these social subjects become increasingly isolated from the processes with which they engage. As a result, their political influence is once again reduced to the margins as individual workers' struggles against firms and the state.

Towards a Politics of Production

These two attempts to conceptualise workers beyond a simple "interest group" are useful, if limited, starting points for understanding their political influence in constituting the trajectories of ISI in Chile and Argentina. On the one hand, by locating this influence in the structural condition of "labour" or the political institutions that represent it, the contested and contradictory manifestations of subjectivity are obscured. On the other hand, by locating this influence in the "social subject", this subjectivity is constrained to that of an individual separated from the shared conditions of work and production that determine workers' collective existence. Thus to recapture workers' political influence, to incorporate it into wider trajectories of industrialisation, and to conceptualise it in a manner that neither externalises nor individualises these actors, I will build a methodological framework that takes the workplace as its starting point. It is here that the nexus between work, resistance, and subjectivity can be identified and it is here that, in the most concrete terms, the trajectories of ISI were constituted. From the collective experience of work, the resistance this engendered, and the political subjectivities it created, workers directly determined the strategies of firms and the state.

In adopting this perspective, I offer insights into the competitive strategies adopted by firms that determined investment, technological development, production processes, and industrial structures. These decisions, from employment relations to transnational production networks, I demonstrate, derived from the engagement of firms in Chile and Argentina with workers within and around the workplace. Moreover, I offer insights into the role of the state in these leading examples of "state-led industrialisation" in the region. Policy decisions, typically understood as "protecting" firms from the vicissitudes of the global economy, will be shown to have focused on the imposition of workplace control. This was achieved by supporting the import of particular technologies, by facilitating foreign and domestic investment, and by strengthening the position of firms through political repression beyond the workplace. Economic governance, therefore, is linked to efforts to repress or resolve workplace conflicts. The persistence of ISI, in this perspective, was determined by firms and the state as they engaged with workers through attempts to impose political control in the workplace, whilst the timing and ferocity of its breakdown represented the failure of this control.

I start from these claims in order to demonstrate the constitutive influence of workers over ISI. I argue that it was in the workplace that discipline and control were concretely manifested, either in the strict authority of management or in the impersonal discipline of new technology and workplace reorganisation. This is not understood as structurally determining "labour", however, but rather that the experiences of this discipline – the experiences of work and resistance – were a distinctive element of determination formed in the workplace. The formation of political subjectivities is then understood as the politicisation of these experiences in the course of engagements between workers and the ideas disseminated by political institutions and activists. These determinations, therefore, constituted workers as distinctive working classes. They were not an "interest group" making demands on the prevailing economic system, "labour" in intractable conflict with capital, or "social subjects" in individual struggles. Instead, the influence of the working class is understood as determined by its degree of political autonomy in the workplace from firms, the state, and, importantly, the political institutions of labour.

The Structure of the Thesis

The following chapters will demonstrate this novel methodological approach to understanding the political influence of workers over the persistence and breakdown of ISI in Latin America. Building on original primary source material including industry journals and workers' newspapers, I will show how the working class played a unique constitutive role in determining these outcomes of ISI in Chile and Argentina.[2] I will argue that the connection between struggles within and around the workplace and the policy decisions of the state and competitive strategies of firms are too often overlooked. Moreover, I will demonstrate how this is the result of a continuing failure to conceptualise this connection and its significance. Through a comparative analysis, I will demonstrate that it was the divergent capabilities of the working class, determined

[2] In this thesis I focus explicitly on the role of industrial workers, as the primary focus of economic policy and development strategies during this period. Across the region, workers in agriculture played an important role and continue to do so today. Although I do not explicitly consider their role in this thesis, the theoretical and methodological framework I develop can, potentially, also be applied in these still-vital sectors across Latin America. For critical insights into the relations between peasant movements and historical and contemporary processes of economic development see Akhram-Lohdi and Kay (2009).

by their political autonomy from firms, the state, and the political institutions of labour, that determined the establishment of "progressive" forms of ISI, the consolidation of ostensibly "inefficient" industrial and institutional configurations, and the violent breakdown of these "models" around the distinctive threats posed by the working class.

In Chapter 1, I will establish the conceptual and methodological framework of this thesis. Starting from the imposition of discipline and control within the workplace, I will offer an alternative perspective on the key aspects of working class formation: work, resistance, and subjectivity. I will establish five key determinations that must be incorporated as independent, but integrated, features that determine the extent of workers' political influence: processes of production, experiences of work and resistance, politicisation and the construction of distinctive political subjectivities, the contested process of class formation, and workers' political autonomy. It is this latter aspect, moreover, that is most significant in this thesis. The central claim is that it is this autonomy that enables workers to exert an influence over historical processes within which they constitute an integral and active political subject.

In the next two chapters I examine the trajectories of ISI from the perspective of the relationship between the state, in terms of its implementation of policy to foment industrial growth and to impose discipline upon the working class, and the mobilisations of workers. In Chapter 2, I explore this process beyond established perspectives on the political and institutional stability of the "Compromise State" in Chile. I show that, by shifting our focus beyond this ostensible stability, the role of the state in attempting to resolve the threat posed by a militant working class provides a better starting point for understanding the establishment of ISI and the violent backlash and breakdown of ISI. In Chapter 3, I explore a similar process in Argentina, but instead look beyond the ostensible instability of the state apparatus. I show that, by looking past the internal political conflicts within these institutions, the role of the state in persistently imposing discipline on workers within the workplace provides a better starting point for understanding the persistence of ISI spiral of violent conflicts that led to its breakdown.

In the next three chapters I tackle the question of the diverse mobilisation of the working class and its distinctive political influence by examining the nexus of work, resistance, and subjectivity in the formation of this autonomous political subject in three

leading sectors in these two country cases. In Chapter 4, I examine the mobilisation of workers in the textile sector in Chile and highlight the limitations of the inefficient industrial structures that were consolidated around large domestic firms in the decades of ISI. I look at how the combination of limited political representation, persistent radical political ideas, and the tensions between traditional forms of control and new forms of discipline brought workplace conflicts in this sector to the fore. In Chapter 5, I examine the mobilisation of workers in the metalworking and automobile sectors in Argentina and their differing incorporation into inefficient industrial structures, consolidated first around large domestic and state-run firms and later around foreign firms. I look at the different experiences of political representation, emphasising, in particular, the constraints imposed by the political institutions of labour. I also explore the role of changing forms of discipline in the workplace and its influence over the emergence of radicalised mobilisations from within the most advanced sectors of industrial manufacturing. In Chapter 6, I engage specifically with the breakdown of ISI, comparing the distinctive processes of class formation that occurred over the preceding decades in these three sectors and highlighting the outcomes that led to the violent repression of the 1970s that specifically targeted the working class. In Chile, it was the coherent political autonomy of workers that posed a distinctive threat to the institutional system that had overseen this trajectory of ISI, whilst, in Argentina, it was the fragmentation of this political subject that engendered a spiral of violence.

To conclude this thesis, I will return explicitly to the five aspects that constitute its theoretical and methodological framework. I highlight their significance for incorporating the workplace and the working class into these trajectories of industrialisation, emphasising the historical processes that constituted the distinctive outcomes of ISI in each case. I use this framework, then, to re-examine the emergence, consolidation, and breakdown of ISI as constituted by the direct engagement between workers, firms, and the state within and around the workplace. I argue that the implementation of industrial planning and progressive measures aimed at redistribution were a clear attempt to pacify the emergent struggles of workers in the expanding sectors of industrial manufacturing. I argue that the consolidation of “inefficient” industrial and production structures represented a deepening of these efforts, particularly in terms of the technological innovations and workplace reorganisations

that accompanied them. And, finally, I argue that the breakdowns of ISI in the 1970s represented the failure of firms and the state, not to constitute internationally competitive industrial production, but to sufficiently pacify or repress the working class.

Chapter 1

Towards a Political Economy of the Working Class

This chapter will outline an integrated theoretical and methodological framework that reconnects work, resistance, and subjectivity in conceptualising the influence of the working class in determining the trajectories of ISI. This perspective will overcome the continuing limitations in linking the politics of production, which are situated in the workplace, to the politics of industrialisation, which are all too often delimited to engagements between firms and the state. This framework engages with the structural and subjective determinations of workers' political influence and the limitations of its institutional manifestation. It highlights the interconnectedness of these factors in five key aspects that determine the extent of workers' political influence. The problem is not that these aspects are ignored. Instead, it is that they are often conflated, making it difficult to incorporate the diverse manifestations of workers' influence into our analyses. Locating workers' influence at structural locations conflates the differences between production, work, and subjectivity, whilst workers' institutional manifestation, or their necessarily disruptive impact, conflates resistance, subjectivity, and class formation. This framework, therefore, will overcome these conflations, separating each of these aspects and identifying their interaction in determining the political influence of the working class and its significance in constituting the trajectories of ISI.

Production is the starting point for understanding this political influence of workers. In this perspective, it is understood not simply as a site in which firms and the state impose discipline and control, but also as a social space in which the effectiveness of this imposition is constituted by the workers themselves. Experiences of work and resistance, moreover, determine the outcomes of changes to production. Work is the

privileged point of mediation in the articulation of discontent, inasmuch as it represents the engagement with a shared set of experiences and wider ongoing social conflict. Resistance derives from these experiences and the necessarily incomplete imposition of control. It should not be externalised from the workplace in the institutional manifestations of its mobilisation or as an abstract disruption of the practice and policies of firms and the state. This framework, instead, concretely locates it in engagements within the workplace. In the course of this resistance, finally, political subjectivities are constituted that, in themselves, are complex and contradictory. This politicisation of grievances is a distinctive feature of workers' mobilisations, an understanding of which can prevent them from being abstracted as simply disruptive. In this framework, political institutions and the ideas they promote, therefore, give meaning to workers' experiences, whilst workers themselves imbue these ideas and institutions with purpose.

The ongoing feedback between these determinations, in this perspective, constitutes the historical process of class formation whereby workers come together collectively within and beyond the workplace. This is not determined simply structurally as "labour", or derived from a collection of individual "social subjects", but instead arises in workers' concrete engagement in the workplace with firms and the state. It is, therefore, against these distinctive working classes that firms and the state mobilise strategies to appease or repress the mobilisation of the working class around a "vertical" axis of conflict. Underlying these determinations, most importantly, is workers' political autonomy. It is the persistence of this political autonomy beyond the constraints imposed in the workplace that gives workers the capacity to contest firm and state strategies. Moreover, it also allows for the constitution of workers as political subjects along a "horizontal" axis. Workers' political influence is continually overlooked in determining the outcomes of trajectories of economic development. Yet by conceptualising this political influence in terms of the autonomous relations of solidarity experienced within and around the workplace, the influence of the working class can be brought back in to ISI.

Control and Discipline in the Social Spaces of Production

Some of the most innovative recent work on the role of production in determining distinctive forms of capitalism has been generated in and around work on global production networks. Beginning as a concerted effort to reincorporate global economic actors, particularly transnational corporations (TNCs), into analyses of national political economies, the approach has provided fertile ground for scholars seeking to remind others of the importance of production and labour in shaping distinctive forms of development (Selwyn 2007; Selwyn 2009; Cumbers *et al* 2008). Jamie Gough (2003), for example, emphasises the significance of production on three levels: the organisation of the production process, the institutionalisation of employment relations, and the reproduction of labour power itself. His important point of departure is to highlight the significance of the spatial levels at which these aspects come to constitute the "geographies of labour power" (Gough 2003: 3-8). By emphasising the role of space, he situates the ostensibly detached and abstract social relations of capitalism in a specific local context. In a recent article, Jamie Gough (2014) advances this argument to incorporate the everyday lives of workers. Most significantly, he demonstrates how local struggles with the state and various "social relations of power – class, gender, and racism in particular" constitute local social spaces of production.

It is returning to these specifically "local" spaces as a site in which the imposition of discipline and control is most concretely articulated that this framework begins. The workplace is a typical starting point for interpreting the significance of the working class, but conceptualising the importance of production to control remains problematic. This idea that the production process provided firms with new ways to exert control is central to Harry Braverman (1974). He argues that technological modernisation of production cannot be understood as simply a neutral means of increasing output:

> "within the historical and analytical limits of capitalism, according to Marx's analysis, technology, instead of simply *producing* social relations, is *produced* by the social relations represented by capital… the first volume of *Capital* may be considered a massive essay on how the commodity form, in an adequate social and technological setting, matures into the form of capital, and how the social form of capital, driven to incessant accumulation as the condition for its own existence, *completely transforms technology*" (Braverman 1974: 20)

Processes of production are, therefore, reflective of the particular social formation of capitalism within which they are developed. Technological development, from this perspective, serves the purpose of extending the capacity for accumulation and, most importantly, determining the extent of control of firms in the workplace and beyond.

Braverman goes on to show how the capacities of human labour power have continually been exploited through changing technologies and managerial practices. For example, the "technological-scientific revolution" that expanded and transformed capitalism throughout the twentieth century, he argues, served primarily to extend the exploitation of the "infinitely malleable character of human labour" (*ibid*: 55). First, he shows how technology expanded exploitation in general by moving masses of workers out of those sectors most strongly affected by these advancements, heightening surplus value extraction and keeping down wages in less technologically advanced sectors with a growing pool of available workers (*ibid*: 382-385). Second, he argues that rather than these advancements leading to improvements in workers' skills, the training offered and the requirements for "skilled" labour reflected the categories by which capital transformed labour into its "hand". Skills and training reflected the needs of firms to expand their accumulation and to retain control over production (*ibid*: 446-447). As such, technological modernisation represents an extension of control over the production process and the worker. Workers are moulded to the demands of accumulation, reproducing and transforming social relations of production to this end.

Building on this argument, other labour process theorists have identified the particular characteristics of the workplace as integral to the exercise of control. For example, the success of the factory in the social organisation of work is argued to be due to its effectiveness as a site of control (Marglin 1980: 239-240). Perhaps the most important factor in this success has been its importance for controlling workers' time. The factory served to prevent the increasing wages that came with expanded accumulation translating into expanded leisure time (*ibid*: 246). Marx also made this argument forcefully in his analysis of the working day. Controlling the amount of time that goes directly into the processes of production and accumulation is shown to be central to the specific form of capitalist production. For Marx, "the working day is… capable of being determined, but in and for itself indeterminate". As such, the development of the factory, and the constant renewal and modernisation of the production process, was not

only necessary to the expansion of accumulation, but, most importantly, as a means to exercise control to this end. Workers' need for time to "satisfy his intellectual and social requirements… conditioned by the general level of civilization" was mediated by the length of the working day (Marx 1990: 341). Control over production through the factory, therefore, became the control over how workers' spent their time.

This control over time, moreover, is one of the most important means by which early industrial capitalism was established. E P Thompson (1967: 60-61), for example, argues that it arose through the "discipline of time", as task-oriented work was replaced by a clear demarcation of employers' and workers' "own" time. The imposition of working day came to be an essential feature for controlling workers' lives for capital:

> "what we are examining here are not only the changes in manufacturing technique which demand greater synchronization of labour and a greater exactitude in time-routines in *any* society; but also these changes as they were lived through in the society of nascent industrial capitalism. We are concerned simultaneously with time-sense in its technological conditioning and with time measurement as a means of labour exploitation" (*ibid*: 80)

Industrial capitalism necessitated the establishment of new forms of social organisation to exert control that, in turn, consolidated the social form of the factory as the most effective means to achieve this. Later phases of technological and managerial innovation, moreover, represented an extension of this means to exert control, reproducing and extending it through increasingly sophisticated means.

However, whilst control over workers is an integral feature of capitalism, the workplace, and the specific forms of production that are undertaken within it, must also be understood as social spaces in which its imposition does not pass uncontested. One limitation of Braverman's understanding of the workplace, for example, is the reduction of struggles over production to minor dissatisfaction rather than concerted opposition to the hegemony of capital (Elger & Schwarz 1980: 361-362). Thus a conceptualisation of the workplace requires an understanding of the means through which control is mediated. Most importantly, control also requires the establishment of discipline. The workplace, then, is constituted by the effects, rather than simply the technologies, of workplace organisation and the apparatuses of production regulating production relations (Burawoy 1985: 7-8). Most importantly, workers are active participants in the workplace, reproducing their own conditions of exploitation and constructing a form of implied consent to the discipline imposed through the production process around

relations, not just of, but also *in* production (*ibid*: 10-14). The distinction, between relations of and relations in production, is, therefore, particularly important for understanding the capabilities of firms to exert control within the workplace.

The importance of this distinction for understanding the significance of the workplace and production will be demonstrated in the establishment of "disciplinary modernisation" in Chile and Argentina. The limits upon the consolidation of traditional forms of control exercised through a mix of workplace techniques (paternalism, harsh foremen, arbitrary punishment, and dismissal) and the state enforcing political repression emerged by the middle of the twentieth century. This necessitated the introduction of disciplinary methods that were imported by TNCs, but which became increasingly prominent in these "national" strategies of industrialisation. Fordist and Taylorist production and managerial techniques transformed the workplace from the 1950s as firms sought to impose discipline through the use of relatively modern technologies. Modernisation was, therefore, not a neutral advance of industrialisation, but was instead marked by the implantation of locally specific forms of discipline within the workplace. This disciplinary modernisation marked the establishment of distinctive relations in production determined by the local necessities of ISI.

The Experience of Work and Resistance

Labour process theorists have made an important contribution to understanding the nexus at which production comes to serve as a means of exercising control in particular local social spaces. However, to understand the role of workers in contesting these relations in and of production and, most importantly, how this role comes to be constituted by those relations, it is necessary to engage with workers' experiences. Work and production are interrelated, but distinct, features of the workplace. Whilst relations in production serve to consolidate control and discipline within the workplace, work is the experience of these measures and, as such, is given meaning by the context within which it is performed. Experience is shaped not only by the direct engagement

with the process of production, but also by the manner in which this is mediated.[3] Resistance comes about in response to efforts by firms to disrupt prevailing relations in production or when those that prevail come into increasing conflict with the ability of workers to reproduce themselves in these other spheres of social life. The conflation of resistance with other aspects of workers' mobilisations leads it to be obscured and misunderstood as either spontaneous or orchestrated by actors beyond the workplace. However, by re-situating resistance in the workplace around the grievances engendered by the discipline of relations in production, these experiences can be linked to the confrontation with strategies of firms and the state as they manifested in the workplace.

The importance of subjective experience is particularly prominent in sociological approaches to work that emphasise its central role in the formation of political identity. Workers exist as individuals at the intersection of multiple social interactions, with work representing a persistent locus around which these interactions are both mediated and expressed (Kirk & Wall 2011: 45). These identities, "can be seen as both 'lost and found' through the individual and collective experience of labour, as well as through forms – genres – and traditions long engaged with narratives of work" (*ibid*: 74). Work is central inasmuch as the workplace is a crucial arena of social interaction in which individuals articulate their grievances. Moreover, in a reversal of contemporary trends that have increasingly marginalised work, this activity continues to provide these scholars with a locus around which the various categories constituting identity are expressed as "gender and class, race and age, intersect in specific workplace contexts and… [are] articulated through feelings and in more structural forms" (*ibid*: 88-89).[4] In this view, therefore, political identities are situated in the structural antagonism generated around strategies of discipline and control exercised in the workplace.

However, whilst emphasising the mediation of various facets of identity through work is important, there is a danger that this detaches this subjective experience, and the

[3] The issue of work as a distinct and subjective experience that is separate from, but intrinsically related to, production has been tackled at length by various critical theorists. Phoebe Moore (2010: 25-36) provides the most incisive overview of these debates, explaining their implications for understanding the contested relationship between work and political subjectivities. In starting from this important separation of work and production, this section will take these ideas further to explore situated political resistance and, in the following section, the potential and limitations for its politicisation.

[4] Issues of race and gender are important in understanding the constitution of specific relations of production and how these are contested in particular local contexts. Their influence as constitutive factors, however, is a question that is beyond the capabilities of this thesis.

resistance that it engenders, from the concrete conditions of production. In an important critique of the causes of "workplace conflict", Maurizio Atzeni (2010) challenges the limitations of a subjective approach to mobilisation. He argues that the focus on a subjective sense of "injustice" as its main impetus focuses on the individual, displacing power and exploitation with an undefinable moralism. Whilst work can be an individual experience interacting with the plethora of social identities, it is its privileged role beyond any moral claim to injustice that distinguishes it in determining workers' mobilisation (Atzeni 2010: 18-19). The importance of work in engendering forms of resistance derives from its relationship to concrete material elements of discipline and control exercised within the workplace. Once these elements are reconnected, moreover, resistance can be understood as the outcome of the distinctive objectification of the worker through the specific relations in production in which they are situated.

Thus the notion of workers as active subjects in acquiescing to their own exploitation, as argued by Burawoy (1985), should be taken one step further to consider how workers are also active in resisting the imposition of these particular relations in production. One important notion is Chris Smith's (2006) "double indeterminacy of labour power" that permits workers to confront firms and the state. Workers are able to confront their exploitation based on their own structural location in the production process. They can challenge the strategies of firms by reducing effort or by retaining mobility across workplaces. Whilst firms employ strategies to ameliorate and weaken these aspects of indeterminacy, they always persist. Resistance conceptualised through this indeterminacy is also central to Beverly Silver's (2003: 13) use of Erik Olin Wright's notion of "structural power". For Silver, this notion is translated directly into what she refers to as "marketplace bargaining power" and "workplace bargaining power". Workers in possession of scarce skills, operating in conditions of low unemployment, or retaining the ability to simply leave employment and survive on nonwage income have significant levels of marketplace bargaining power. Workers located in strategically important sectors of production networks possess similarly significant levels of workplace bargaining power. In the perspective of this framework, therefore, the control established by firms is contested in the workplace due to the location of workers in relations of production and their experience of relations in production.

Mobilisations against the strategies of firms and the state, as a result, are the outcome of these subjective experiences of work and resistance. As such, it is the struggles in which workers confront employers in specific contexts that determine the possibilities for and outcomes of this resistance (Iñigo Carrera 2012: 18). The grievances and demands that give purpose to political mobilisations are constituted at the nexus of the necessarily limited capacity of firms to exert control and discipline from within the workplace. Workplace conflicts, therefore, must be recognised as both persistent due to the logic of prevailing social relations of production, but also dependent upon the experiences of social relations in production. The persistence of resistance underlies and determines the extent and possibility of mobilisations that are most visible in strikes and protests that often extend beyond the workplace. It is, therefore, the subjective experience of work and resistance, mediated by production, which is central to workers' mobilisations.

As has been argued, resistance is not derived from an individualised spontaneity, nor is it determined by the organised dissemination of any moral critique of that experience. Instead it is determined at the nexus of production and experience. Changes to the practices of work emerge from certain relations in production established around the use of new technologies and managerial practices. Whilst the production process engenders distinctive forms of control and discipline within the workplace, the structural location and subjective experiences of workers produce distinctive strategies of resistance. The workplace is, therefore, a space in which workers' resistance is continually reconstituted as they experience, at the most direct level, their own exploitation. This is demonstrated moreover, by the impact of disciplinary modernisation. The resulting intensification of political mobilisation is typically ascribed to the context of political repression in Argentina or radical socialist ideas in Chile. However, as will be shown, it was the efforts of firms to rationalise production and implement new forms of workplace control that generated resistance in the workplace. In both cases, this was neither spontaneous nor organised from above. Instead it was the direct outcome of the imposition of disciplinary relations in production. Workers experienced efforts to improve productivity as an intensification of exploitation and, as such, contested these strategies of firms and the state through increasingly militant forms of political mobilisation.

Ideas, Institutions, and the Politicisation of Experience

The relationship between resistance and subjectivity is a particular problematic aspect of understanding workers' political influence. On the one hand, as "labour", this is conflated as an inevitable opposition to capital, with intrinsic limits on its possible forms. On the other hand, as "social subjects", subjectivity is detached and externalised from the workplaces within which it is constituted. Reconnecting these aspects, therefore, without relying on any institutional manifestation, is integral to understanding workers' political influence. This section will turn to conceptualising the formation of political subjectivities and the process by which seemingly isolated confrontations between workers and firms are transformed into mobilisations beyond the workplace. Understanding the causes of these mobilisations has always been problematic:

> "in the early 1970s, French historian Michelle Perrot warned that when scholars refer to 'the spontaneity' of strikes and other forms of working class protests, they are only highlighting how little they know about the workers' consciousness and level of organizing because large groups of people do not suddenly decide to gather in the same spot, seeking the same things without prior planning" (Wolfe 2002: 258)

To understand this "prior planning", therefore, the conceptualisation of politicisation will not simply identify the role of political institutions in organising and mobilising workers. Instead, it will demonstrate how workers' engagement with these institutions and the ideas disseminated within gave new meanings to their struggles. It is this engagement, moreover, which constitutes workers' distinctive political subjectivities.

One important means by which workers' mobilisations have been conceptualised is through the notion of "associational power", which is again taken from Erik Olin Wright by Beverly Silver (2003: 13-15). This is defined, most simply, as "the various forms of power that result from the formation of collective organization of workers", derived, most strongly, from the political parties and trade unions that represent workers and that, typically, are constituted within the legal-institutional frameworks of the state. In emphasising the capacity of these political institutions to represent workers, however, Silver and Wright externalise the capacity for mobilisation from the workplace. As such, this understanding of associational power is inadvertently detached from workers' attempts to realise their structural power, both in its "marketplace" and, most significantly, its "workplace" forms. Associational power, in their perspective, is

primarily derived from the capabilities of the political institutions of labour to represent workers and to contest the strategies of firms and the state on their behalf. Conceptualising the organisation of workers in this manner obfuscates the strategies of resistance that emerge around the processes of production. As such, although spontaneous protests cannot be understood without acknowledging the means by which it is coordinated, emergent forms of organisation also cannot be understood without the resistance in the workplace that gives purpose to the political institutions of labour.

It is, therefore, the relationship between workers' mobilisations and these institutions that remains most difficult to explain. As a starting point, Maurizio Atzeni (2010: 6-8) argues that it is necessary to rethink the meaning of the political institutions that ostensibly represent the influence of workers. Building on the ideas of Luxemburg, Trotsky, and Antonio Gramsci, he demonstrates that the political institutions of labour serve primarily to reinforce the control imposed within the workplace. They exist, primarily, to negotiate the price of labour, rather than confront the specific relations upon which the purchase of labour-power is based. As a result, worker mobilisation, cannot, and often does not, rely simply upon these institutions. In the perspective of this thesis, this mediation of the relations between workers and firms by the political institutions of labour provides just a starting point in the politicisation of workplace conflict. On the one hand, these institutions play an important role in the process of politicisation in terms of the space they create for the dissemination of political ideas. On the other hand, however, they impose constraints on the mobilisation that is generated around these ideas. Mobilisation is given meaning by the politicisation of which these institutions play an important role, but this meaning can only be understood through its continual reconstitution around experience within the workplace.

The notion of meaning is central to conceptualising politicisation. Mobilisation is a process that moves from the objective conditions of production, to the subjective experience of work, to the objective expression of resistance, and then back to a subjective meaning located in the engagement between workers and the institutions that come to represent them. As argued by Maurizio Atzeni (2010: 106-107), it is necessary to reconnect the "role of agency factors within the immanency of structural conditions". Taking this further, moreover, prevailing political ideas, disseminated by activists within and beyond these institutions, should be understood as socially produced, rather

than acquired or imposed (Laffey & Weldes 1997: 213). But socially produced does not mean that ideas derive from an intrinsic logic of capitalism. Instead it provides a means of conceptualising how they are re-appropriated around workplace conflict. By emphasising the circulation of ideas from their production, to their diffusion, to their "use", it is possible to recognise their significance in the formation of political subjectivity (Moulian 2009: 60). This use is carried out by the activists that disseminate the ideas and workers that mobilise around them. Politicisation is determined, therefore, at the nexus whereby ideas give meaning to workers' experience and whereby workers' experience transforms this meaning as it imbues it with political purpose.

This dynamic between mobilisation and the politicisation of resistance through the reinterpretation and re-appropriation of ideas will be shown to have been highly significant in the "radicalisation" of workers' protests in response to disciplinary modernisation in Chile and Argentina. In both cases, the political institutions of labour took on a dual role of creating the necessary conditions for the extension of resistance beyond the workplace and imposing constraints upon how far this could go.[5] In Chile, these institutions were vital in the dissemination of radical socialist ideas amongst workers in the textile sector. These ideas, moreover, were given new meaning in the experiences of new disciplinary relations in production. For example, workers with relatively little experience of organisation constituted the most militant fractions of mobilisations that occurred throughout to the 1970s, giving renewed meaning to the ideas disseminated by political activists. In Argentina, the radical politicisation of resistance occurred with the weakening of the political institutions of labour in the metalworking and automobile sectors. However, the radical ideas that took hold were also re-interpreted in the prevailing political context of Argentina. For example, workers retained their loyalty to Peronism, infusing both the radical Left and this prevailing idea with new meaning in the context of intensifying workplace conflict. The politicisation of resistance, therefore, was not the result of the increasing prominence of political institutions of labour, of political activists, or of radical ideas. Instead, it will be shown

[5] This notion has been expressed in historical descriptions of the role of trade unions in Argentina during the 1950s and 1960s. The so-called "dual role", in which the political institutions of labour came to both organise and mediate the actions of the workers, is most visible after 1955 (Munck *et al* 1987: 149-152). However, where this thesis goes further is in arguing that this is an intrinsic feature of the political institutions of labour in their structural location as bargaining agents for the price of labour. Whilst they are clearly significant in co-ordinating organised protest, they come to impose varying levels of constraints on this action, as will be discussed at length in later sections of this chapter.

that it was the engagement between these factors and resistance, linked to production and experiences of work, which determined the radical politicisation of resistance and the formation and mobilisation of radical political subjectivities of the working class.

Class Formation: Work, Resistance, and Subjectivity

Reconnecting work, resistance, and subjectivity has been shown to be the central problem for conceptualising the political influence of workers over ISI. By building a series of determinations from the imposition of discipline and control imposed through production, to the experience of work and resistance, to the formation of political subjectivity, this chapter provides a starting point for understanding the political influence of workers. Changes to production engendered distinctive experiences of work that in turn give rise to expressions of resistance. This resistance was politicised through an engagement with political institutions and ideas that gave it meaning within and beyond the workplace, a process that in turn reconstituted the very meaning of these ideas. Around this dialectical process, as a result, workers came together collectively to determine the outcome of changes in relations in production within their own workplace and the wider politics of industrialisation. This section, therefore, will seek to conceptualise how, and with what effect, workers came to constitute distinctive working classes against which the strategies of firms and the state came to be mobilised.

Beginning with the seminal work of E P Thompson (1980), class formation will be understood as a deeply contested process, with necessarily distinct outcomes. From this perspective, the making of a working class emerges from both the objective conditions that locate workers within particular contexts and those experiences from which their subjectivities are constructed. For example, in his study of the English working class in the late-eighteenth and early-nineteenth centuries, Thompson shows that the "catastrophic" effects of the Industrial Revolution were felt through political repression and "intensified exploitation, greater insecurity, and increasing human misery" (Thompson 1980: 217-231). Yet he argues that objective immiseration and exploitation

could not determine the formation of a class conscious of its interests and able to pursue them. Instead, these subjective aspects are constituted historically and socially:

> "the changing productive relations and working conditions of the Industrial Revolution were imposed, not upon raw material, but upon the free-born Englishman – and the free-born Englishman as Paine had left him or as the Methodists had moulded him" (*ibid*: 213)

> "rural memories were fed into the urban working-class culture through innumerable personal experiences… the urban worker made articulate the hatred for the 'landed aristocrat' which perhaps his grandfather had held in secret" (*ibid*: 253-254)

For English workers, then, lived experience was a mediator between their social being in the workplace and their social consciousness as it was manifested in distinctive forms (Wood 1995: 96). As such, the English working class is not understood merely as influential in contesting the changes in the workplace, but rather as influential in generating political subjectivities that determined the conflicts in which it was engaged.

One important contribution that takes this understanding of the working class further, in its formation and its confrontations with the strategies of firms and the state, is Michael Lebowitz (2003). For Lebowitz, there are two important aspects that lead to the formation of a working class: the process whereby capital mediates the "social product" and the social construction of "needs". First, he argues capitalist production is constituted by two tendencies around the social productivity of labour. On the one hand, as production has expanded throughout history there has been a trend towards its increased combination. On the other hand, there is a counter-tendency, whereby firms mediate and control this through fragmentation. This fragmentation separates social productivity into discrete, competitive units, facilitating the exploitation of labour. Control, then, derives from the obfuscation of the former with the latter, mystifying the social product as a dependence upon ostensibly discrete social spaces that are controlled by firms (Lebowitz 1992: 70-80). As a result, firms' control over the production process manifests the illusion of permanency in spite of, as has been demonstrated so far, their continual need to exert that control through the production process itself. Workers, in contrast, are objectified as productive inputs rather than active participants.

It is this active participation in the process of production, however, concealed by its mystification and the continual fragmentation of production across networks and within the workplace itself, which provides a means to comprehend the formation of the working class. Lebowitz argues that it is essential to explore the potential power of

combination unmediated by this control (*ibid*: 82). Social productivity allows workers to mobilise not only their productive powers, but also to contest the strategies of firms and the state. This process is perhaps most adequately captured in Marx's concept of *Vergesellschaftung*, which is more accurately translated as "societisation" rather than socialisation.[6] This process has two effects: (1) it leads to the construction of a collective space for transformation and creation and (2) it allows for the instrumentalisation of work to meet the needs of those who control it (Castillo 2009: 18). Societisation, as such, offers something different than socialisation. Whilst the latter implies the incorporation of workers into pre-existing social formations, the former implies the formation, through collective experiences of work, resistance, and subjectivity, of particular forms of "society" constituted by workers themselves.

Second, to explain workers' political influence over this societisation, Lebowitz turns to a dynamic conception of "needs". He begins with the uncontroversial notion that workers' needs are socially constructed. They are not simply the necessary means for survival, but are continually reconstituted around the expansive logic of capitalism (Lebowitz 2003: 41-44). Put simply, the more that is produced, the more that is deemed socially necessary. To take this one step further, the specific context of production, combined with the subjective factors that shape the extent to which these needs are seen to be met, leads to the formation of specific grievances. Lebowitz's most important contribution to this debate is his reversal of the cause of conflicts derived from these grievances. It is not, he argues, the needs of firms that come up against the barriers of worker's capacities to consume. Rather, it is workers' needs to "reabsorb those alien and independent products of their own activity… [and] struggles to find time and energy for themselves" that come up against "*the barriers created by capital*" (*ibid*: 204). As such, these needs constitute the demands of distinctive working classes seeking to overcome constraints imposed upon them by the strategies of firms and the state, in a process whereby they then determine outcomes of the strategies themselves.

This formation of distinctive working classes was crucial to the establishment and breakdown of disciplinary modernisation in Chile and Argentina. As will be shown in this thesis, in seeking to overcome the barriers imposed through these new forms of workplace organisation and concomitant wage and social policies, workers determined

[6] Thanks to Kees van der Pijl for this definition/translation.

the strategies of firms and the state. Efforts to impose "rationalisation" and "stabilisation" were directly targeted at undermining the emergent combination of workers within increasingly advanced social spaces of production. As resistance and mobilisation spread beyond the workplace, workers transformed strategies aimed at expanding control through new production processes. In Chile, opposition to disciplinary modernisation and the growing cohesiveness of the working class led to increasingly reformist political strategies that offered concessions whilst attempting to deepen these disciplinary relations in production. In Argentina, the result was the intensification, under the auspices of authoritarian military government, of these strategies and a concerted assault on the political institutions of labour and the working class itself. In both cases, however, workers' efforts to overcome the barriers imposed upon them led to the formation of distinctive working classes against which firms and the state had to construct their strategies of disciplinary modernisation under ISI.

Autonomy and the Political Subject of the Working Class

To understand the formation of these distinctive working classes, therefore, and to situate their political influence as central to the constitution of ISI, it is not enough to simply identify the existence of these conflicts on a "vertical axis". The formation of this influence must, instead, also be understood around a "horizontal" axis that, most significantly, exists due to the persistence of workers' political autonomy. By turning to the potential of the working class to act not just within, but also beyond capitalist social relations of and in production, this conceptualisation highlights the creative, rather than disruptive, elements of workers' confrontations with changes imposed upon them. Marx made clear that the final contradiction – or Hegelian Limit – capitalism would face would come the workers who would become its "grave-diggers" (Lebowitz 2003: 12-15). Yet to date, this has not occurred. The lack of correspondence between theory and reality necessitates, as such, under Marx's own dialectical logic, the extension of efforts to understand the working class, its failures, and any remaining potential for it to fulfil this role (*ibid*: 26). Building on the prior conceptualisation of class formation, this section will locate this potential in the persistence of working class political autonomy.

To understand the trajectories of ISI, this thesis will situate workplace conflict at the core of its unfolding. It will make the central claim that the working class constitutes an integral and necessarily creative political subject. As is argued by Michael Lebowitz, it is precisely this "inimical mutual opposition… which drives capitalism along its specific trajectory" (Lebowitz 1992: 106). Yet this does not mean that it is only at the vertical axis that these struggles have significance. Instead, for Lebowitz and for the framework of this thesis, working class struggle has a deeper meaning. Workplace conflict is central to the distinctive political subjectivities of the working class and the extent their mobilisations. Struggle transforms the meaning of specific historical conflicts, engendering the transformation of active and autonomous political subjects both within and against capitalism (*ibid*: 143-149). As such, the politics of production and of industrialisation must begin by recognising the existence of workers beyond the strategies of firms and the state, the relations in and of production that are imposed upon them, and the political institutions of labour. Class struggle can then be understood as not only constituting distinctive forms of capitalism along a vertical axis, but as also transforming the working class along a horizontal axis into distinctive political subjects.

The notion of working class autonomy has been most strongly associated with the ideas of *operaismo*, an academic and political approach that has seen sustained critique in the wake of its short-lived rise during the late 1960s and early 1970s. Steve Wright (2002), however, offers a fascinating and balanced account of this approach as it emerged out of factory-based workers' movements in Italy in this period. He argues that, despite its flaws, the approach made an invaluable contribution to the study of working class politics that helped to "force attention towards an exploration of the inherently contradictory experiences of workers, whether waged or otherwise, and from this to the terms upon which their struggle to turn such contradictions against the capital relation become feasible" (Wright 2002: 226). As such, reclaiming the importance of working class autonomy has become increasingly central to scholars exploring the revolutionary potential of the working class and its limitations. Maurizio Atzeni (2010: 27-31), for example, makes an important contribution through his conceptualisation of "solidarity". Solidarity, in his perspective, is not a function of political leadership, but a pre-existing condition of the workplace to which workers "simply have a living encounter".

Perhaps the most significant implication of this focus on autonomy has already been touched upon in the outlining of earlier determinations of the working class and its political subjectivity. The constraining influence of the political institutions of labour has already been discussed, but the framing of this problem around political autonomy allows for a rethinking of the potential emergence of political institutions of the working class. Maurizio Atzeni (2010: 8-11) highlights Gramsci's reference to factory-councils as offering the possibility of transcending limits on workplace representation and the potential to confront firms' strategies of control. Institutions such as these, in the perspective of this thesis, are organically-linked to the determinations of production, work, resistance, subjectivity, and the historical process of class formation. They represent the interests of workers and have their purpose defined by the struggles generated in and around the workplace, but, unlike the political institutions of labour, they are continually reconstituted in response to the autonomous political subjects of the working class. Workers' political autonomy, moreover, does not simply manifest itself in these political institutions of the working class, but gives them new meaning in confrontations against the constraints imposed on workers themselves. Political autonomy and the potential formation of these political institutions of the working class, therefore, are integral to rethinking the possibilities of working class political influence.

This emphasis on autonomy and the formation of political institutions of the working class offers important insights into the breakdown of ISI in Chile and Argentina. Moreover, it can help explain why, despite the upsurge in radicalised forms of mobilisation and political organisation, there was, to differing degrees, a failure to develop a revolutionary trajectory of industrialisation. In Chile, the autonomy of the working class was the main reason for the nascent establishment of coherent forms of political organisation that could rightly be considered, in the perspective of this argument, political institutions of the working class. From the long history of struggles within the workplace and through the limited forms of representation that allowed firms to consolidate fragmented forms of representation, workers were mobilised, in the distinctive political context of the 1970s, to concerted efforts to overcome the limits imposed upon them. Direct confrontation intensified and, with ongoing politicisation through the engagement of radical ideas and experiences of work and resistance, the revolutionary potential of the working class began to pose a threat that could only be

overcome through violence. In Argentina, workers' autonomy was increasingly constrained by the powerful political institutions of labour whose engagement with firms and the state had initially brought about some material gains. By the 1960s, the limits of these institutions, however, became increasingly apparent. Workers, engaging with the radical political ideas that had persisted within and around these institutions, began to experience their resurgent autonomy thereby reconstituting resistance in the workplace and mobilisations beyond it. However, beyond a few relatively isolated incidents, these did not lead to the establishment of political institutions of the working class. Their revolutionary potential was, instead, constrained beneath the fragmentation of the working class in the workplace and beyond it in a spiralling of violent conflict.

Producing the Working Class: Implications for Research

It is this combination of conceptual factors and historical processes that provide the foundations for understanding how, and in what ways, workers determined the trajectories of ISI in Chile and Argentina. Determination is used in this thesis in three senses. First, it is used to mean that the strategies of firms and the state, both in their formulation and their eventual outcome, responded to the real and potential threat posed by the political subject of the working class. Second, this is based on the notion that the workplace was the crucial nexus at which engagements between workers, firms, and the state occurred and, unlike in the institutional spheres of policymaking, that workers had here a significant influence over the decisions that were taken. Third, it implies a necessarily creative role for the working class. As argued by Lebowitz (2003), the working class must seek to overcome the limits that firms and the state impose upon the realisation of its aims and goals. Workers, in this sense, determine the trajectories of industrialisation not through disrupting the plans of other actors, but by pursuing their own strategies against the interests of those that seek to dominate and exploit them. This determination is a non-deterministic ontological claim as to workers' political influence, reconceptualising this as being rooted in the creative potential of workplace conflict, but also recognising the pervasive constraints on the working class as a political subject.

This methodological framework that I have developed is a starting point for overcoming the immense and continuing difficulties for conceptualising this profound political influence of the working class. It explicitly seeks to move beyond the limits of understandings the working class as one "interest group" amongst many competing for material gains within shifting social formations, as "labour" structurally determined by its location in the social relations of capitalism or manifested solely by the political institutions that represent it, or simply as a collection of "social subjects". It refocuses on the workers themselves, but in their collective mobilisations as a working class. Notions of material interest, structural determination, institutional manifestation, and individual subjectivity, therefore, are mediated by relations in production, experiences of work and resistance, political subjectivities, class formation, and, most significantly, the potential that is derived from the political autonomy of the working class.

The workplace, as such, provides an integral starting point for understanding the conflicts that determined the decisions of firms and the state. Firms had to engage with workers as the direct producers of their products within the workplace. They had to impose discipline and control over the working class and this control entailed the implementation of diverse measures that transformed production and work. These changed the perception of wage increases and declines, influenced the degree of internal tension between foremen and workers, and created direct tensions between the demands of workers and the stated aims of firms. The state, moreover, had to mediate between these conflicting actors through policy. Workplace regulation, technological investment, forms of organisation, working hours, and wage agreements were all the responsibility of the state to reduce workplace conflict and, in the majority of instances, to reproduce discipline and control. As a result, the politics of industrialisation are, in the perspective of this thesis, indistinguishable from the politics of production in the workplace.

The outcome of these conflicts for ISI in Chile and Argentina, therefore, were the locus for growing political tensions around the increasingly prominent role of the state and the competitive strategies of firms. From the imposition of discipline and control in the social spaces of textile, metalworking, and automobile production, concrete changes in the experience of work and the concomitant resistance it produced were politicised in the formation of collective subjectivities. At key moments, workers mobilised collectively as a class from within, but also beyond, the workplace, contesting the

implementation of these changes in production processes, industrial structures, and economic policy. In engaging in these conflicts, moreover, workers themselves were transformed. Their political autonomy determined not just the outcome of these workplace conflicts, but also their own formation as political subjects. Workplace conflicts, as a result, constituted the emergence, consolidation, and breakdown of ISI around concrete manifestations of resistance and subjectivity that forced firms, the state, and the working class into direct confrontation in the workplace and beyond. It is from this effort to bring workers back in that these empirical cases will now be explored.

The Trajectories of ISI in Chile and Argentina

Chapter 2

Beyond and Beneath the "Compromise State" in Chile

At first glance, the experiences of ISI in Chile between 1930 and 1973 present a potential contradiction to the cautionary tale that sustains much of the condemnation of this period in Latin America. First, copper mining was a vital source of foreign exchange that allowed the state to subsidise imports of machinery and intermediate goods and, despite generating some tensions over sale price and foreign ownership, gave successive governments regular "windfall profits" for domestic spending (Collier & Sater 1996: 268-269). Second, the Chilean political system displayed high levels of institutional stability, with little or no military intervention, a functioning multiparty electoral system that produced incremental rather than radical change, and a strong commitment to constitutional democracy around the "Compromise State" (Sigmund 1977: 3-14; Sheahan 1987: 205). Third, economic institutions, such as CORFO, were established as the archetype of technocratic, independent development organisations to be led by technical experts around a clearly stated "development mission" (Nelson 2007: 158). Yet, by the 1970s, tensions were established around each of these institutional aspects and Chile had fallen into the familiar situation of deepening stagnation, rising inflation, and political conflict that typified the breakdown of ISI.

The Chilean experience, therefore, should be understood as determined by a "double crisis" beyond and beneath the ostensible stability of the Compromise State, characterised by, on the one hand, the intensification of workplace conflict and, on the other hand, the persistence of low domestic demand. To understand the trajectory of this crisis, the role of the workplace and influence of the working class is central, inasmuch as limited concessions to wages and political organisation only exacerbated its

underlying causes. Earlier research on workers has focused on the political institutions of labour and their development as limited, fragmented, but politicised forms of workplace representation (Angell 1972; Barria 1971; Barrera 1972; Pizarro 1986; Zapata 1986). Recent research, moreover, has identified the significance of the workers themselves, highlighting the centrality of workplace conflict in important leading sectors of textiles, copper mining, and metalworking (Winn 1986; Klubock Miller 1998; Vergara 2008; Stillerman forthcoming). Moving from the ostensible stability of the institutions of the state to the conflictive relations between workers, firms, and the state during ISI is an important starting point. However, further efforts must be made to understand how workers determined the outcome of ISI beyond both the political institutions that represented them and their role as individuals within the workplace.

The chapter will argue that, despite the institutional weaknesses of their representation, intensifying workplace grievances, radical socialist ideas, and high levels of political autonomy brought Chilean workers' influence over the trajectory of ISI to the fore. In the initial period of rapid expansion during the 1930s, workers mobilised despite new legal constraints over organisation. These mobilisations engendered the progressive strategies of ISI backed by the state, domestic firms, and the political institutions of labour. As a result, however, workplace conflicts entered a period of pacification that allowed for a resurgent alliance between firms and the state to re-exert their control within and beyond the workplace. Many of the progressive measures were then reversed, which led, in turn, to new workplace conflicts. This engendered the beginning of a period of radicalisation. Starting in the 1950s and intensifying in the 1960s, workers challenged the constraints of the ostensibly stable Chilean political and institutional system, bringing the underlying confrontation that pervaded the trajectory of ISI to the fore around the consolidation of a radical and autonomous working class. The breakdown of the 1970s, therefore, was the outcome of these latent and unresolved tensions created in the workplace, not of the intrinsic contradictions of Chilean ISI.

From Export-Linked Industry to the Consolidation of ISI

This section will explore the early emergence of industrial manufacturing, highlighting the unexpected outcomes linked to external crises, the changing role of the state, and efforts to pacify workers whose mobilisations had begun to pose a problem for domestic and international firms. Following the Depression, overall output saw a startling level of stability in contrast to the precipitous declines faced by leading commodity export sectors of copper and nitrates. As a result, relative employment levels rose dramatically, thus constituting a new locus of conflict. New political institutions of labour were established leading, eventually, to the electoral victory of a progressive coalition backed by workers and the political parties of the Left. This marked an important turning point for industrial manufacturing, institutionalising disjointed state support and giving workers a direct influence over policy. However, as this political influence was consolidated, workers' earlier militancy declined, allowing a new political coalition supported by domestic firms to regain control of the growing state apparatus.

External Crisis and the Institutionalisation of Industrial Manufacturing

Industrialisation in Chile began prior to the emergence of ISI in the 1930s, with early manufacturing production establishing nascent linkages and a trajectory of growth independent of the leading export sectors. External crises were, alongside domestic political changes, central to the intensification of workplace conflict. As this conflict increased around rising levels of employment, political and institutional constraints that had been imposed over the working class became increasingly ineffective. The result was a radicalisation that was consolidated, rather than created, in the crises of the 1930s. Increasing output in industrial manufacturing, supported by the state, but oriented, in the main, around orthodox fiscal measures meant rapid industrial growth in the 1930s was accompanied by rising levels of discontent. Moreover, attempts to re-establish conservative policies that had previously fragmented the political institutions of labour inadvertently allowed for a surge in radical forms of mobilisation and the establishment of a new trade union federation. The result, as such, was the beginning of a double crisis

around measures that were characterised by a failure to address emerging workplace conflicts or the constraints imposed by the continuities of manufacturing growth.

The effects of international conflict at the end of the nineteenth and beginning of the twentieth centuries encouraged significant increases in manufacturing output in Chile. In particular, after 1914, limits on international trade and a high degree of import substitution meant the sector was gradually established as an independent "engine of growth" (Palma 2000a: 44 & 63). As it expanded, conservative governments imposed restrictions that sought to limit the concomitant growth of workplace conflicts. Original legislation for a new Labour Code in 1924 stated unions could be established only in firms with over twenty five workers, if 55 per cent agreed, and that federations could be created, but only with limited political objectives. Initially, these measures were an effective tool for control, creating a fragmented bargaining system and producing a decline in strikes until 1931 (Angell 1969: 39-40; Pizarro 1986: 93-96; Roddick 1989: 201). Worker militancy, however, persisted. In 1925, for example, over 204 000 workers were affiliated to illegal federations, in the Communist Party (PC)-backed Chilean Workers' Federation (FOCH) or, to a lesser degree, the anarchist International Workers of the World (IWW). Also, there were five national general strikes and one hundred and fifteen general strikes in various sectors of the economy (Vitale 2011: 238). The persistence of this militancy, therefore, meant further growth would have to resolve a deepening confrontation between the state, firms, and the working class.

The most immediate impact of the Depression, however, was to consolidate and give new meaning to this confrontation. The crisis isolated the economy from international trade, which allowed the independent manufacturing sector to grow even more rapidly. Increasingly supported by policies placing restrictions on imports through high tariffs, exchange controls, and currency devaluations, by 1934, it had already returned to pre-1929 output levels (Ortega *et al* 1989: 13-16). Moreover, whilst measures were not yet systematic, they were significant in consolidating the growing prominence of domestic industrial manufacturing and exacerbating the emergent "export pessimism" (Palma 2000b: 223). Responding to the new space this created for alternative policy solutions, the Socialist Republic in 1932 implemented measures supporting workers and called for the "socialisation of all industry" (Vitale 2011: 254-256 & 260-261; Thomas 1964: 208-209 & 216-219). Workers' organisations, such as Revolutionary Committees, the

United Proletarian Front, and the Revolutionary Alliance, which included the FOCH, the PC and a variety of student organisations, strongly backed these measures (Vitale 2011: 260-261). By offering practical policy solutions to the crisis, such an experience legitimised the political ideas of the Left and consolidated their links with the working class (Moulian 2009: 26; Angell 1969: 55; Palma 2000a: 45). Rapid growth and this growing prominence of radical ideas, therefore, gave new meaning to the deepening workplace conflicts and to the growing political influence of workers.

In response, to resolve these tensions and undermine workers' emergent influence, the brief interregnum of a military-backed government of the Left was brought to an end. Arturo Alessandri (1932-1938) utilised heterodox policy measures combining deficit spending, public works, and state-subsidised loans and tariffs with orthodox fiscal measures, little or no favourable discrimination towards industry, and no commitment to public enterprise (Palma 2000a: 58; Silva 2007: 72; Hirschman 1963: 180-181). Due to, and in spite of, these measures, Chile became one of the most industrialised countries in Latin America. It produced, by 1934, 90 per cent of its own consumer goods and, by 1935, over 70 per cent of its durable and capital goods (see Table 1; Love 2005: 115). Industrial employment also increased, rising between 1927 and 1937 from 82 494 to 151 157, with a growing number of firms employing over 100 workers (Garcés 1985: 24-25). This led, however, to the consolidation of workplace conflict. Following earlier crises, workers with a "popular memory" of the "traditions of the unions of the militant nitrate miners" and a powerful sense of "class militancy" had moved from nitrate to copper mining sectors (Klubock Miller 1998: 85-87). It is not unlikely that a similar process occurred in migration to the industrial cities like Santiago. Significantly, it would be remarked upon by participants in the upheavals of the 1970s that workers had arrived with a "deep and entrenched sense of class" (Edmundo Jiles in Gaudichaud 2004: 261). Rather than resolve tensions, the rapid growth in the 1930s brought the confrontation between workers, firms, and the state in manufacturing firmly to the fore.

Table 1: GDP and Manufacturing, Chile, 1929-1938 (data accessed from MOxLAD Database)

Year	Real GDP (Millions 1970 Chilean Escudos)	Constant Manufacturing Value-Added (Millions 1970 Chilean Escudos)	Share of Constant Manufacturing Value-Added to Real GDP (%)
1929	26 103	3 411	13.1
1930	21 924	3 422	15.6
1931	17 272	2 538	14.7
1932	14 594	2 900	19.9
1933	17 984	3 193	17.8
1934	21 711	3 480	16.0
1935	22 960	4 002	17.4
1936	24 089	4 100	17.0
1937	27 389	4 298	15.7
1938	27 704	3 869	14.0

Harsh repression under Alessandri in the early part of the 1930s, combined with the institutional limits placed on workers through the Labour Code, meant the number of strikes was relatively low. Yet they did continue, with illegal strikes exceeding those permitted by law (see Table 2). Moreover, there was a sharp rise in the formation of the political institutions permitted under the Labour Code, as well as an even sharper rise in participation between 1932 and 1938 (see Table 3; Barrera 1972: 12-22). The outcome of this growing participation in the political institutions of labour, moreover, was the establishment of the Chilean Workers' Confederation (CTCH) in December 1936 (Pizarro 1986: 101-102). Its organisational model was wide-ranging, incorporating workers from across the major economic sectors, with a strong emphasis on wider social, economic, and political problems (*ibid*: 112-116). The formation of the CTCH marked an important transition whereby, despite the importance of the railway workers' strikes in January 1935 and February 1936, urban industrial workers were mobilising in increasing numbers (Garcés 1985). As such, these events were the consolidation of confrontations within and around ISI, as the attempted conservative restoration, rather than pacify workers' struggles, only created the space to politicise them further.

Table 2: Legal and Illegal Strikes, Chile, 1932-1938 (adapted from Garcés 1985: 74-75)

Year	Legal		Illegal	
	No. of Strikes	No. of Participants	No. of Strikes	No. of Participants
1932	3	500 (approx.)	3	100 (approx.)
1933	7	648	3	100
1934	2	100	11	3 000
1935	10	1 197	20	4 236
1936	4	4 781	16	2 977
1937	4	460	17	2 569
1938	6	7 954	9	3 419
Total	36	15 640	79	16 401

Table 3: Industrial Unions, Chile, 1932-1938 (adapted from Barrera 1972: 12)

Year	No. of Unions	Total Members	Average Membership
1932	168	29 442	175
1933	243	39 802	164
1934	266	42 617	160
1935	255	47 442	186
1936	275	51 185	186
1937	316	69 113	219
1938	333	78 989	237

The early establishment of ISI, therefore, was not an inadvertent outcome of complementary forms of heterodoxy, but rather a deliberate attempt to confront the radical conflicts consolidated around the Depression. Efforts to re-establish conservative policies were a clear failure. Whilst domestic manufacturing output grew dramatically, leading to production of a significant proportion of domestic consumer and capital goods by the middle of the 1930s, little was done to address the grievances of the equally rapidly increasing number of industrial workers. As mobilisations increased, two important events highlighted the consolidation of this new locus of conflict. Radical mobilisations in 1936 and the establishment of the CTCH beyond the institutional limits imposed by the state highlighted the growing political influence of the working class. Attempts to marginalise workers, then, resulted in the consolidation of struggles that, in turn, created the conditions for the brief progressive turn in ISI led by the Popular Front.

The Limits of Institutional Stability and the Recapturing of the Apparatus of the State

The establishment of a progressive trajectory of ISI was the direct result of the consolidation of worker militancy around the Depression, the rising levels of conflict this engendered between workers, firms, and the state, and the establishment of a new coalition between the state and the political institutions of labour. Under the Popular Front, direct state intervention and redistribution increased, meaning that manufacturing output and wages rose. However, the beginnings of the double crisis became increasingly apparent. The consolidation of ISI around small production establishments limited the potential for growth, the extent of workers' political organisation, and wage increases that could bolster domestic demand. The pacification of the working class behind this ostensibly progressive trajectory, moreover, allowed for the consolidation of these limits through increasing levels of repression within and beyond the workplace. Wages, once again, were squeezed to make up for inefficiencies throughout the manufacturing sector and tensions within the political institutions of labour were exacerbated to undermine the emergent political influence of the working class.

The electoral victory of Pedro Aguirre Cerda (1938-1941) and the Popular Front led to a dramatic increase in state involvement, represented by the establishment of the Production Development Corporation (CORFO) in 1939, increased subsidies, tariffs and quotas, multiple exchange rates, expanded social provision, and the direct stimulation of internal demand (Salazar & Pinto 2010a: 37). Moreover, the contribution of the CTCH and workers' mobilisations to the establishment of these measures was crucial, with policy proposals between 1938 and 1941 closely linked to workers' demands (Milos 2008: 49, 265-266 & 285). The Popular Front thus sought to resolve growing conflict with redistribution, with a reorientation of economic priorities by taking leadership over specific projects rather than mediating the interests of firms, and by including representatives from the CTCH in economic institutions like CORFO (Moulian 2009: 31; Ortega *et al* 1989: 56-63). In response, manufacturing grew significantly as a proportion of GDP and there was an important increase in real wages for industrial manufacturing workers (see Table 4; see Table 5). These outcomes, then, attempted to positively resolve tensions, reflecting the growing political influence of workers.

Table 4: GDP and Manufacturing, Chile, 1938-1948 (data accessed from MOxLAD Database)

Year	Real GDP (Millions 1970 Chilean Escudos)	Constant Manufacturing Value-Added (Millions 1970 Chilean Escudos)	Share of Constant Manufacturing Value-Added to Real GDP (%)
1938	27 704	3 869	14.0
1939	28 286	4 397	15.5
1940	29 419	4 882	16.6
1941	29 086	5 794	20.0
1942	30 436	6 361	20.1
1943	31 305	6 434	20.6
1944	31 896	6 650	20.8
1945	34 652	7 619	22.0
1946	37 619	7 416	19.7
1947	33 559	7 342	21.9
1948	39 142	8 445	21.6

Table 5: Average Annual Real Wages per Worker, Chile, 1940-1952 (adapted from Mamalakis 1980: 315)

Year	Average Annual Real Wages per Worker (1940 Chilean Pesos)					
	Agriculture	Mining	Industry	Construction	Government	All Sectors Average
1940	3 422	9 024	4 451	4 115	4 235	4 353
1941	3 344	9 020	4 668	4 151	4 159	4 348
1942	2 730	8 434	4 440	4 598	3 780	3 904
1943	2 986	8 324	4 659	3 762	3 773	3 958
1944	3 279	8 233	4 847	4 000	4 268	4 093
1945	3 058	9 505	5 358	4 281	4 429	4 347
1946	3 496	7 856	5 211	4 222	4 466	4 354
1947	2 884	7 530	4 873	3 976	3 796	5 872
1948	2 847	9 073	5 090	4 074	4 218	4 107

The outcome of these changes, however, was the consolidation of the double crisis. Despite the expansion of manufacturing, its decline in 1946 and 1947 offered signs of its fragility (see Table 4). Relatively high growth rates, averaging around 8 per cent throughout the 1940s, were premised on the proliferation of small establishments, adaptive engineering, and high levels of vertical integration. On the one hand, this lessened external dependence on technology, allowed for a new “industrial culture” to

develop, created forward and backward linkages, and permitted the accumulation of "human capital" (Ffrench-Davis *et al* 2000: 114-118). On the other hand, it consolidated structural constraints. Adaptive engineering and vertical integration consolidated earlier inefficiencies and the proliferation of networks of small, labour-intensive establishments around a few large, vertically-integrated firms exacerbated the limits on increasing domestic demand. Wages were linked to the size of establishments, as only workers in larger firms could obtain political representation, but here they continually came up against a dramatic imbalance in bargaining power (Angell 1969: 44). Progressive growth in manufacturing thus did not resolve the double crisis, instead restricting domestic demand and increasing the concomitant militancy of workers.

In response, the Radical Party governments of the 1940s, led first by Juan Antonio Ríos (1942-1946) and then by Gabriel González Videla (1946-1952), began to reverse some of the progressive elements that had consolidated these emergent tensions, on terms that were far better-suited to firms (Vitale 2011: 553-554). In the early 1940s, workers had finally gained their seat at the political table, but in doing so had lost the power of their early militancy. In particular, the combative tendencies of the CTCH were eroded. Bernardo Ibáñez, then-head of the CTCH, praised the idea of general strikes in 1940, but also described the Popular Front as the "government of the people" to be defended. Moreover, as progressive measures were reversed after 1941, ties that had been established between the political institutions of labour and the state were an increasing constraint on the capacity to mobilise (Pizarro 1986: 119-120). As a result, these years saw renewed political repression and a decline of real wages for industrial workers, particularly between 1946 and 1947 (Sandoral 1945: 16-17; see Table 5). State strategies, as such, sought to repress rather than resolve the tensions emerging around the structural inefficiencies of industrial manufacturing. Yet as they came up against the militancy of the working class, which still demonstrably persisted beyond the constraints of the political institutions of labour, they only exacerbated these tensions.

The most important effect of the three years of the Popular Front, therefore, was a consolidation of the political influence of workers and the political institutions of labour around "legal unionism in urban areas… with all its paradoxical preservation of the spirit of a political movement in the new anti-political form" (Roddick 1989: 214). It was such an actor that now had to be confronted. Statistics on the occurrence of strikes

vary significantly during this period. One estimate of legal strikes between 1938 and 1945 records a total of 164 across the country, peaking in 1941 with 25 (Barrera 1972: 101). A contemporary estimate from a leading Communist in the CTCH, however, claimed there were 2 843 "collective conflicts" between 1943 and 1945 alone (Araya 1946: 9). Another estimate of legal and illegal strikes, moreover, puts the total at 834 between 1938 and 1945, peaking at 512 in 1945 (Pizarro 1986: 105; see Table 6). Based on the ongoing tensions around the growth of manufacturing, it would be safe to assume that these latter estimates are most accurate. Chilean workers were distinguished by a long, and well-preserved, tradition of mobilising beyond the institutional constraints imposed upon them. Moreover, many of the workers in smaller factories, facing similar if not worse conditions, had been unable to formally organise due to the Labour Code. It was a deep-rooted radicalism and militancy, therefore, rather than the political institutions of labour, which bolstered the political influence of workers in this period.

Table 6: Strikes and Participation, Chile, 1938-1945 (Pizarro 1986: 105)

Year	No. of Strikes	No. of Participants
1938	15	11 373
1939	26	10 223
1940	45	18 810
1941	31	2 931
1942	18	2 740
1943	127	48 729
1944	60	26 281
1945	512	80 341
Total	834	201 428

These two tendencies of pacification and persistent radicalism were reflected in the general strike of 30th January 1946. All workers in sectors affiliated to the CTCH, including miners, port, construction, and industrial workers mobilised and shut down much of the economy. Beginning with calls for better wages and representation, they quickly took on an increasingly combative stance. Yet to pacify these mobilisations, the Ríos government took advantage of a split forming within the CTCH between those that sought to continue the strike and those more supportive of a rapprochement. Several ministers were incorporated from the Socialist Party (PS) into a new cabinet to which the PC leadership of the CTCH was strongly opposed. The PC's calls for continuing the

strike were then blocked by the PS leadership within the CTCH, which remained aligned with its ministers in the cabinet (Pizarro 1986: 125-135). Thus whilst the initial attack on the working class had led a radical mobilisation within and beyond the political institutions of labour, these institutions had become a constraint upon efforts to contest new measures that posed a direct threat to workers' earlier gains.

The constraints imposed through the political institutions of labour were central to limiting workers' attempts to consolidate and advance the progressive strategies of ISI that their earlier struggles had initiated. As a result, the rapid expansion of industrial manufacturing and the growth in the apparatus of the state enabled firms and the state to begin to reverse many of these measures. By capitalising on the breakdown of the Popular Front, the pacification of workers' mobilisations, and tensions within the political institutions of labour, this new coalition was able to re-establish control and undermine workers' emergent political influence. These changes, moreover, marked the beginning of another important turning point. The result, therefore, was the end of the short lived social coalition between workers, firms, and the state and a renewed consolidation of the confrontations that had earlier emerged with the emergence of ISI.

Repression and the Radicalisation of the Politics of Industrialisation

This section will examine the consolidation of ISI, highlighting the widening confrontation that was occurring between firms, the state, and workers and its implications for the double crisis that was pervading the manufacturing sector. The progressive reforms that had been instigated under the Popular Front were rapidly reversed as the balance of power shifted firmly in the favour of domestic firms. Wages were squeezed and worker's political organisation was attacked as ISI was set upon a new trajectory of stabilisation and rationalisation. The result, however, was new mobilisations that led to the consolidation of a renewed space for the workers' radical politicisation and of the double crisis. The state was forced to renew attempts to establish a "populist" compromise, but, with deepening social conflict, this resulted in a consolidation of its repressive tendencies in the workplace and beyond. As such, this

concerted attempt to take advantage of the weaknesses of the political institutions of labour and brief pacification of workplace conflict only reproduced political tensions.

The Reorientation of "Progressive" Industrialisation

The collapse of the Popular Front had begun to shift the balance of power within the trajectory of ISI firmly into the hands of domestic firms and their political allies. The continued growth of industrial manufacturing was premised on growing state intervention, but with a shifting of the burden of increasing stagnation onto workers through early forms of stabilisation and renewed attacks against the political institutions of labour. From explicit repression manifested in the "Permanent Defence of Democracy Law" to concrete efforts to establish a corporatist compromise led by the state, efforts to reinstate the pacification of the working class, however, only exacerbated tensions. This led workers to challenge the implementation of stabilisation measures that sought to restrict wages and undermine the more progressive elements of ISI. In response, a new coalition was consolidated between domestic and international firms, the state, and international institutions that reoriented this earlier trajectory. This had a contradictory impact that, whilst initially benefitting domestic firms, continued only to deepen the double crisis of ISI around the increasingly militant working class.

The reorientation of ISI began in earnest in the 1950s. The breakup of the CTCH in 1947 and the repression that accompanied it marked the beginning this reversal. González Videla responded to ongoing mobilisation with the establishment of the Permanent Defence of Democracy Law, or the "Damned Law". This specifically targeted the PC and the political institutions of labour, with sanctions against any individual who "organised, maintained, or stimulated stoppages or strikes" (Vitale 2011: 555). With the political institutions of labour weakened, firms and the state began to pursue strategies that undermined the more inclusive strategies of the Popular Front. Industrial manufacturing's relative contribution to GDP was rising steadily (see Table 7), but real term profits of firms had gone into decline. These had fallen dramatically from a high (in 1940s prices) of CH$1 226 million in 1944 to CH$659 million in 1950. By 1952, however, they had recovered again to around CH$909 million (Mamalakis 1978: 235-238). Moreover, this was accompanied by a clear attack on real wages, which

stagnated between 1949 and 1952 (see Table 8). This combination, therefore, highlighted renewed efforts to address the double crisis by restricting the demands of the working class around the consolidated inefficiencies of industrial production.

Table 7: GDP and Manufacturing Value-Added, Chile, 1948-1952 (data accessed from MOxLAD Database)

Year	Real GDP (Millions 1970 Chilean Escudos)	Constant Manufacturing Value-Added (Millions 1970 Chilean Escudos)	Share of Constant Manufacturing Value-Added to Real GDP (%)
1948	39 142	8 445	21.6
1949	38 298	8 894	22.6
1950	40 185	8 804	22.0
1951	41 922	8 941	21.3
1952	44 316	9 734	22.0

Table 8: Real Industrial Wage Index, Chile, 1948-1952 (1955 = 100) (adapted from Pinchot 1991: 538)

Year	Industrial Wage Index	Consumer Price Index	Real Industrial Wage Index
1948	20	13	154
1949	24	15	160
1950	28	18	156
1951	31	22	141
1952	40	26	154

The outcome, however, was not to resolve tensions. Under Carlos Ibáñez del Campo (1952-1958), stagnation, the rising cost of living, the belligerence of the state and firms, and the weakness of the political institutions of labour meant workers began to seek out new forms of representation (Zapata 1986: 102; Vitale 2011: 560). Ibáñez had authorised increased control over credit from the Central Bank and established the National Bank to replace multiple state credit agencies and to work alongside CORFO in a bid to boost production and growth (Hirschman 1963: 194). The effects, however, were less than impressive. Manufacturing growth rates fell to -0.4 per cent between 1955 and 1960, with the manufacturing share of GDP stagnating across a sector now incorporating 5 854 establishments and 206 701 workers (Mamalakis 1976: 163; see Table 8; Vitale 2011: 564). He also sought to establish corporatist labour institutions,

even inviting advisors from Peronist Argentina (Moulian 2006: 159; Vitale 2011: 563). Overall, however, the result was inflation and a deepening of the double crisis, alongside pressure from firms, the military, and the political Right (Moulian 2006: 158-162; Fernández Jilberto 2001: 70). As a result, industrial manufacturing stagnated, wages fell, and the rising political tensions remained beyond the control of the state.

Table 9: GDP and Manufacturing Value-Added, Chile, 1953-1958 (data accessed from MOxLAD Database)

Year	Real GDP (Millions 1970 Chilean Escudos)	Constant Manufacturing Value-Added (Millions 1970 Chilean Escudos)	Share of Constant Manufacturing Value-Added to Real GDP (%)
1953	46 627	10 801	23.2
1954	46 822	11 034	23.6
1955	46 760	10 638	22.8
1956	47 022	11 134	23.7
1957	51 958	11 442	22.0
1958	53 946	12 285	22.8

The failure to address burgeoning tensions meant workers' efforts to establish new forms of representation increased. Despite their pacification under the Popular Front, workers had retained a relatively cohesive autonomy (Roddick 1989: 215). For example, despite the continuing squeeze on wages and political repression, between 1948 and 1956 there was a significant rise in the formation of factory-based unions. These increased from 607 to 788, with overall membership increasing from 151 633 to 170 669 industrial workers (see Table 10). One reason for this was the formation of the Unified Workers' Central (CUT) in 1953. This brought together diverse political currents around the "non-aligned" figure of Clotario Blest, a Catholic trade unionist who traced his own formative experience back to the Santiago Meat Riot of 1906 (Gaudichaud 2005: 82; Zapata 1986: 101-102; Roddick 1989: 187). Due to the constraints of the Labour Code, the CUT was illegal and in constant financial crisis, relying on political parties and industry federations to mobilise workers. Yet it firmly opposed the state, stating in its opening declaration that "while capitalism exists in whatever form, the state will be an instrument of exploitation" (Angell 1969: 41 & 49; Gaudichaud 2005: 83-86; Moulian 2006: 180). It mobilised workers around these

radical ideas, with the levels of repression against the political parties of the Left also strengthening its independence (Angell 1969: 50; Gaudichaud 2005: 82-83). As a result, by retaining the institutional weaknesses that had characterised the FOCH and CTCH, it continued to provide space for the radical politicisation of workplace conflict.

Table 10: Industrial Union Membership, Chile, 1948-1958 (adapted from Barrera 1972: 12)

Year	No. of Unions	Total Members	Average Membership
1948	607	151 633	250
1949	613	147 969	241
1950	626	147 306	235
1951	633	150 772	238
1952	639	155 054	243
1953	665	164 201	247
1954	677	165 888	156
1955	660	162 937	247
1956	788	170 669	217
1957	723	162 232	224
1958	641	154 650	241

Repression within and beyond the workplace, in response, was intensified. By mid-1954 Ibáñez and his new Finance Minister, Jorge Prat, reversed many of the earlier measures with a "burden sharing" plan that included an increased minimum wage, low cost housing provision, taxes on luxuries, and the conversion of excess profits to CORFO bonds alongside salary and wage freezes and a ban on strikes (Hirschman 1963: 198). As a result, real wages dropped dramatically, with the effects of inflation and the wage freeze strongly felt amongst industrial workers (see Table 11). The continuing crisis, moreover, led Ibáñez to the US-based Klein-Saks consultancy firm at the end of 1955. The aim was to draft a stabilisation plan that would address inflation by squeezing real wages, opening up the economy to foreign trade and investment, and changing the role of CORFO from direct intervention to supporting large infrastructure projects and exports. These measures were aligned to the ideas of the political Right in Chile, as well as to the US government and the IMF, but opposed by the majority of local experts (Ffrench-Davis 1973: 25-26; Ortega *et al* 1989: 148-155). Thus, in combination, this

new Plan represented a concerted attempt to directly confront the resurgent political influence of the working class and to re-exert control through stabilisation measures.

Table 11: Real Industrial Wage Index, Chile, 1952-1958 (1955 = 100) (adapted from Pinchot 1991: 538)

Year	Industrial Wage Index	Consumer Price Index	Real Industrial Wage Index
1952	40	26	154
1953	44	33	133
1954	58	57	102
1955	100	100	100
1956	160	153	105
1957	213	207	103
1958	253	249	102

The outcome, however, was a growing number of mobilisations that led to significant organisational gains for workers and culminated in the general strike of 7th July 1955 (Roddick 1989: 216-219). *El Siglo* estimated that there were 1.5 million workers involved and the Interior Minister was forced to explicitly deny it was a revolutionary movement (Pizarro 1986: 140-145). However, whilst the strike itself may not have been a revolution, it was an important turning point. It marked the emergence of a coherent, autonomous, and militant working class within and beyond the political institutions of labour. On the one hand, core demands referred to price rises, wage squeezes, and the repeal of the "Damned Law". On the other hand, these had a demonstrably radical meaning. Clotario Blest, for example, described it as representing the restructuring of society and the economy, with the program offered by workers demanding agrarian reform, copper nationalisation, modifications to the credit regime, and the direct participation of workers in the economic organisation of the state (Moulian 2006: 181; Pizarro 1986: 149). It was then followed by mobilisations in 1956, as well as a dramatic urban insurrection on 2nd April 1957 where workers, students, slum-dwellers, and political activists directly confronted police (Moulian 2006: 181-182; Milos 2007). These mobilisations highlighted the culmination of tensions within the trajectory of ISI and, increasingly, the limits on resolving them through restriction and repression.

This reorientation of ISI had led to the establishment of a new locus of conflict around stabilisation, declining real wages, and new, radical political institutions of labour. The

explicit attack on workers followed by the attempt to construct a corporatist coalition only demonstrated the persistent latent threat that the CUT now manifested most visibly. Workers' mobilisations led to the establishment of this new federation that remained beyond the constraints of labour legislation, providing an openly radical and socialist space for the politicisation of workers' opposition to continuing efforts to resolve the double crisis without addressing their demands or the continuing squeeze on wages. As a result, stagnation only deepened throughout industrial manufacturing as a variety of state-led strategies continued to come up against the limits of repression as a means to resolve rising political tensions. The general strike in 1955, then, led firms and the state to deepen these coercive attempts to impose control over the working class.

The Explicit Assault on the Working Class and Radicalisation of Workplace Conflict

Renewed attempts to exert control over the working class and to impose a restrictive trajectory of ISI premised on a combination of direct repression, economic stabilisation, and allusions to state-led corporatism had consolidated the confrontation that had been re-emerging between workers, firms, and the state. The response to this deepening confrontation, moreover, was the most overt assault on the working class since the 1930s. Explicitly backed by the industrial employers' association and international organisations, the state attacked wages, working conditions, and attempted to reverse many of the protective measures that had been implemented to support production and employment. In the short term, the result was relative stability and a return to high growth. But in the long term the impact on consumer goods sectors, on domestic demand, and on external debt only created new tensions. The outcome of the most dramatic reversal of ISI since the 1930s, therefore, was a deepening of the double crisis, epitomised by its attacks on political institutions of labour and on the working class.

Unlike the ostensible populism of the "burden sharing" plan of Jorge Prat, the economic program of Jorge Alessandri (1958-1964) consisted of limiting wage increases to productivity, seeking foreign loans, lowering state expenditure to decrease deficits, and the elimination of trade controls whilst retaining import duties and tax exemptions. The result was a large increase in foreign investment, a relative deterioration of wages, and a sustained contraction in domestic production of consumer goods (Stallings 1978: 82-87;

Cademartori 1959: 18; *Principios* 1961: 38). Overall, manufacturing remained relatively stable as a proportion of GDP and rose to its highest level of 27.2 per cent in 1964, with an average growth rate between 1960 and 1965 of 7.3 per cent, and inflation fell from 33.3 per cent in 1959 to 9.7 per cent in 1961. Light industry, however, went into steep decline, leaving thousands of workers unemployed and creating an unprecedented reliance on external investment and borrowing (see Table 12; Vitale 2011: 580 Mamalakis 1976: 163-164). As a direct result of these measures the traditional consumer goods sector stagnated and sunk further into its now-persistent double crisis.

Table 12: GDP and Manufacturing Value-Added, Chile, 1959-1964 (data accessed from MOxLAD Database)

Year	Real GDP (Millions 1970 Chilean Escudos)	Constant Manufacturing Value-Added (Millions 1970 Chilean Escudos)	Share of Constant Manufacturing Value-Added to Real GDP (%)
1959	53 657	13 992	26.1
1960	57 195	13 867	24.2
1961	59 931	15 066	25.1
1962	62 771	16 799	26.8
1963	66 741	17 509	26.2
1964	68 227	18 563	27.2

The relatively progressive strategies of state-led industrialisation after 1938, which emerged with the strong support of the working class, were eroded in less than two decades. Alessandri attempted to inaugurate a trajectory driven by the external market more so than at any time since the Depression (Salazar & Pinto 2010a: 41). The most significant feature of this strategy was the shifting of the costs of economic adjustment and stabilisation on to workers (Silva 2007: 76). Between 1959 and 1964 real wages fell to levels below those of 1955 (see Table 13). Moreover, in an attempt to limit resistance, the political institutions of labour faced further attacks, resulting in a membership decline after 1958 (see Table 14). These strategies were the most significant divergence from the earlier efforts to address the double crisis. Facing an increasingly militant working class, Alessandri chose not to follow the failed attempts of his predecessors to establish corporatist political institutions, nor did he opt for adopting limited progressive measures to pacify all but the most radical sectors. Instead,

he squeezed wages and restricted the political representation of workers, which only exacerbated the deepening confrontation between workers, firms, and the state.

Table 13: Real Industrial Wage Index, Chile, 1959-1964 (1955 = 100) (adapted from Pinchot 1991: 538)

Year	Industrial Wage Index	Consumer Price Index	Real Industrial Wage Index
1959	311	345	90
1960	337	376	97
1961	390	402	100
1962	461	460	95
1963	621	652	97
1964	932	958	105

Table 14: Industrial Union Membership, Chile, 1959-1964 (adapted from Barrera 1972: 12)

Year	No. of Unions	Total Members	Average Membership
1959	616	149 711	243
1960	608	122 306	201
1961	618	144 650	234
1962	598	134 478	225
1963	656	143 912	219
1964	632	142 958	226

It was the deepening of this confrontation that brought a decisive end to explicit coercive attempts to exert control over the working class. Despite achieving higher rates of growth and briefly halting inflation, the failures of this strategy of liberalisation, stabilisation, and political repression were increasingly apparent, even on their own terms. For example, the productivity of investment was low during the 1960s, as growth in GDP and fixed capital formation continued to be constrained by low domestic demand (Ffrench-Davis *et al* 2000: 116). These failings were widely understood as rooted in the policies proposed by Klein-Saks, discrediting its orthodox economic policies (Jobet 1961: 13; Sigmund 1977: 30). Moreover, what emerged in response was a working class increasingly confident and capable of radical mobilisation. Attacks on the political institutions of labour, as such, had only limited effects. For example, whilst legal strikes declined by around half after 1958, illegal strikes quintupled, mobilising tens of thousands of workers in recorded strikes by the beginning of the 1960s (Zapata

1986: 103; Pizarro 1986: 153; see Table 15). Workers, in these ongoing mobilisations, therefore, actively undermined firm and state strategies that sought to resolve tensions through repression and brought an end the explicitly repressive trajectory of ISI.

Table 15: Strikes and Participation, Chile, 1961-1964 (adapted from Pizarro 1986: 154)

Year	Manufacturing		Total	
	No. of Strikes	No. of Participants	No. of Strikes	No. of Participants
1961	503	39 222	835	151 453
1963	135	22 656	642	124 334
1964	104	25 371	433	114 342

This marked the end of explicit attacks on the political institutions of labour and workers. Strategies that had sought to re-impose control or to pacify struggles came up against a coherent and cohesive working class. Industrial stagnation continued, workplace conflicts intensified dramatically, and new, radical political institutions once again posed a direct threat to the interests of domestic and international firms. Not only did the CUT demonstrate an unprecedented degree of coordination, but political mobilisations beyond it became increasingly widespread. It was clear that only the resort to overt violence or meaningful reform would resolve political tensions in the double crisis pervading manufacturing. Firms and the state, in response, supported a return to explicit forms of state protection and limited concessions to workers' demands. These, however, were implemented alongside the continuation of liberal economic policies, including stabilisation, rationalisation, and support for foreign investment.

The Limits of Reform and Revolution in the Breakdown of ISI

This section will identify the limitations that had been consolidated in the development of industrial manufacturing around limited "populist" compromises and explicit combinations of economic liberalism and political repression. In response to the intensification of tensions, the new government sought to combine elements of previous strategies in the so-called "Revolution in Liberty". Borrowing elements of economic liberalism and combining these with even more limited progressive reforms, the result

was a slowdown in economic growth and a widening of conflict, with the double crisis left unresolved. Such a dynamic, however, resulted in a radical new trajectory of ISI premised on the transition to socialism. Led by the state, and explicitly supported by the political institutions of labour and the working class, this began to transform manufacturing production and output, but also created a new locus of conflict. As the new government explicitly sought to tackle the double crisis through real wage increases and the resolution of workers' demands, these strategies produced a new confrontation that brought about the conditions for the violent breakdown of ISI.

Towards a Reformist Solution to the Double Crisis of Manufacturing

In response to the failings of successive governments to resolve or repress the political tensions that had been created within ISI, new efforts to deepen industrialisation through political and economic reform were established. On the one hand, these relied on a combination of policy measures that had been implemented with questionable success throughout previous decades. Direct state intervention was redirected towards large infrastructure projects and monopoly firms, foreign investment was encouraged alongside a liberalisation of capital and intermediate goods imports, and attempts were made to cement regional and international trade agreements to resolve limits on domestic demand. On the other hand, they also included new attempts to address the double crisis, including redistribution through the improvement of real wages and support for political organisation in small and medium-sized establishments. However, for industrial workers their effects were limited, premised as they were upon liberal economic policies that did little to resolve their ongoing demands.

Initially, the Christian Democrat Party (PDC) government of Eduardo Frei (1964-1970) sought to deepen industrial development and stimulate growth through a program of direct state intervention, foreign investment, and the expansion of regional trade. CORFO was used to channel funds directly into large establishments and infrastructure, foreign ownership and imports of capital and intermediate goods were liberalised, and low demand, which had been exacerbated by the wage squeezes of the past decade, was targeted through regional trade agreements and the expansion of credit (Ortega *et al* 1989: 178-180; Moulian 2006: 227; Stallings 1978: 67 Ffrench-Davis *et al* 2000: 134-

135). As an immediate outcome, foreign investment more than tripled between 1960 and 1968, with modern sectors rising to between 60 and 80 per cent foreign-controlled and industrial manufacturing overall to around 20.3 per cent (Stallings 1978: 43-44; De Vylder 1976: 14). The PDC also offered a limited degree of redistribution with an average wage increase of 8 per cent between 1964 and 1970, although this primarily benefitted agricultural and white-collar workers. Nevertheless, real industrial wages did rise, returning to levels in 1969 and 1970 that were only surpassed previously under the Popular Front (Salazar & Pinto 2010a: 42; Ffrench-Davis *et al* 2000: 146-147; see Table 16). These reformist strategies, then, rejected the coercive liberalism that had resurfaced after 1955 and the populism that had preceded it, whilst retaining some aspects of both.

Table 16: Real Industrial Wage Index, Chile, 1964-1970 (1955 = 100) (adapted from Pinchot 1991: 538)

Year	Industrial Wage Index	Consumer Price Index	Real Industrial Wage Index
1964	932	958	97
1965	1 287	1 227	105
1966	1 863	1 533	122
1967	2 396	1 801	133
1968	3 194	2 300	139
1969	4 392	2 990	147
1970	6 211	3 948	157

The overall effect, however, was mixed. The value of manufacturing to overall GDP, after initially rising, was soon stymied by relatively low overall economic growth of 3.6 per cent (see Table 17; Mamalakis 1976: 163). Moreover, whilst there had been a rapid rise in 1966 of 12 per cent in the output of traditional consumer goods and a steady 3 per cent rise in more sophisticated consumer durables, there was a significant rise after 1967 in the production of non-durable, durable, and intermediate goods. This reflected attempts to construct a more coherent and integrated manufacturing sector (Moulian 2006: 226-227). Yet the open policy toward foreign investment, combined with the new targets of state investment, led to an increasing imbalance in the economy as modern sectors experienced an increase in growth whilst the economy as a whole continued to stagnate (Altamirano 1966: 6-8). This was further compounded by the consolidation of "protected inefficiencies" throughout the economy, with foreign investment and

technology imports targeting improvements in the use of existing resources rather than structural change (Ffrench-Davis *et al* 2000: 117). This imbalance, as a result, failed to address the problems related to stagnating production and exacerbated conflicts, reorienting them, in particular, against the growing support for foreign firms.

Table 17: GDP and Manufacturing Value-Added, Chile, 1964-1970 (data accessed from MOxLAD Database)

Year	Real GDP (Millions 1970 Chilean Escudos)	Constant Manufacturing Value-Added (Millions 1970 Chilean Escudos)	Share of Constant Manufacturing Value-Added to Real GDP (%)
1964	68 227	18 563	27.2
1965	68 778	19 747	28.7
1966	76 448	21 444	28.1
1967	78 930	22 052	27.9
1968	81 755	22 593	27.6
1969	84 797	23 264	27.4
1970	86 541	23 570	27.2

To compound these conflicts, few benefits were experienced by industrial workers. Despite a commitment to redistribution, in 1966 the purchasing power of the minimum wage was only 66 per cent and the minimum salary 70 per cent of their 1952 equivalents, whilst workers' share of national income declined from 36 per cent in 1960 to 14.8 per cent in 1969 (Muñoz 1967: 10; Araya 1969: 26). Moreover, 77 per cent of industrial workers continued to work between nine and twelve hours, with 86 per cent earning less than the stagnating minimum wage (Paris & Porcell 1966: 50). As a result, participation in strikes increased, peaking in 1967, when 103 090 industrial workers were involved, and national general strikes were held in March 1966, November 1967 and July 1970. Moreover, between 1961 and 1968 the levels of participation in illegal strikes outstripped that of legal strikes, with a rising involvement of workers not represented by the political institutions of labour. For example, in 1964 and 1965 illegal strikes involved over 20 000 unaffiliated workers, representing between 10 and 20 per cent of all participants (see Table 18; Roddick 1989: 208; Barrera 1980: 1292; Pizarro 1986: 156-157). Thus the PDC, despite offering expanded representation and limited redistribution, continued to come up against their failure to resolve workers' grievances.

Table 18: Strikes and Participation, Chile, 1964-1970 (adapted from Pizarro 1986: 154)

Year	Manufacturing		Total	
	No. of Strikes	No. of Participants	No. of Strikes	No. of Participants
1964	104	25 371	433	114 342
1965	158	47 291	792	234 189
1966	162	31 011	737	140 667
1967	912	103 090	2 177	314 987
1968	215	51 010	913	203 360
1969	237	37 082	977	275 406
1970	305	62 765	1 303	396 761

The growing number of strikes by non-unionised workers, moreover, also coincided with legal recognition of the CUT and a rapid surge in affiliation (Sigmund 1977: 43; see Table 19). Most importantly, this extended membership to workers outside the largest establishments. The importance of small firms was apparent in the disparity between the growth of unions, which doubled in just a few years, and of membership, which rose by under a third. This had particular significance for manufacturing as, in 1968, 70 per cent of unionised workers worked in small firms with between 25 and 39 workers (Angell 1969: 34-35; Pizarro 1986: 172-173). Moreover, attempts to establish "yellow unionism", efforts to replace the right to strike with "Social Collaboration Councils", and attempts to undermine the CUT with the "Frei-ist Workers' Front", were continually stymied (Figueroa 1966: 53-55). The expansion of union membership thus undermined the PDC's attempts to pacify workers' struggles. Instead, there was a consolidation of the political parties of the Left within the CUT, which received strong support from workers, despite party affiliates constituting only around 50 per cent of all CUT members (Barrera 1972: 59-60 & 66-67). Efforts by Frei to pacify the working class, therefore, only strengthened the radical politicisation of workplace conflict.

Table 19: Industrial Union Membership, Chile, 1964-1970 (adapted from Barrera 1972: 12)

Year	No. of Unions	Total Members	Average Membership
1964	632	142 958	226
1965	687	154 561	225
1966	990	179 506	181
1967	1 174	190 367	162
1968	1 261	189 815	150

1969	1 359	204 719	151
1970	1 437	197 651	137

This was particularly apparent in responses to new measures introduced by the PDC. Cooperatives and "workers' enterprises", which sought to promote alternative forms of self-management, had little impact outside agriculture, whilst the "Workers' Capitalization Fund", which was to be constituted by a matching 5 per cent salary contribution from employers and workers and a concomitant 20 per cent wage increase, was met with strong resistance (Salazar & Pinto 2010a: 43; Stallings 1978: 110). For example, in response to the latter, the CUT secretary general stated: "we say that the workers will be owners of the means of production when we are in power, and we do not want to share the direction of a company with our class enemies" (Hernán del Canto cited in Stallings 1978: 111). Workplace conflicts were mobilised continuously in a political manner, explicitly targeting the strategies of the state to pacify them and to re-exert control (Pizarro 1986: 181). Moreover, by 1969 workers had undertaken the first factory occupations at the SABA electronics plant (Stallings 1978: 116-118; Espinosa & Zimbalist 1978: 41-42). Although an isolated incident, it was a manifestation of workers' radical politicisation and demonstrated the failure of Frei and the PDC to resolve the double crisis by positively addressing the demands of the working class.

The outcome of the "Revolution in Liberty" was the expansion of the tensions that it had set out to resolve. It demonstrably failed to overcome the restriction on domestic demand through limited wage gains for industrial workers. Whilst policies of redistribution and real wage increases did have a tangible effect, they focused primarily on white-collar and agricultural workers. In the manufacturing sector, which was now firmly at the centre of growing political tensions, workers saw little or no gains and, in response, firmly rejected attempts to pacify their struggles. The expansion of workplace representation, in particular, had the opposite effect from its intention. Not only did it permit the extension of the radical political ideas that had persisted within the CUT through its period of illegality, it also brought to the fore the far worse working conditions of workers in smaller establishments, transforming these ideas in the process.

Towards a Revolutionary Solution to the Double Crisis of Manufacturing

The tensions that had been consolidated around the reformist measures of the Revolution in Liberty created the conditions for a more radical solution to the double crisis in the electoral victory of the socialist Popular Unity (UP). The combination of stagnation and rising tensions consolidated the militancy of the working class and engendered demands for an alternative trajectory. Through nationalisation of leading economic sectors, reactivation backed by state ownership, meaningful worker participation in the organisation of production, and redistribution towards a more equal share of gains from industrialisation, this period marked a radical transformation of ISI. Nevertheless, these strategies, rather than resolve conflict, only transformed it, as firms and their domestic and international political allies sought to prevent the consolidation of a new trajectory aimed explicitly at the establishment of socialism. Moreover, workers and the UP increasingly entered into conflict over constraints on this transformation. In particular, mobilisations of "popular power" came into growing antagonism with the peaceful transition envisaged by moderate leaders within the UP.

By the end of the 1960s the combination of deepening stagnation and increasing levels of conflict produced a widespread desire for an alternative trajectory of ISI around a pervasive sense that the apogee of the double crisis had been reached (Moulian 2006: 235). Under the government of Salvador Allende (1970-1973) and the UP, nationalisation of the "commanding heights" was envisaged as the first step of such an alternative. It aimed to bring 28.7 per cent of manufacturing production into the Social Property Area (APS) of direct state control and 15.2 percent into the Mixed Property Area (APM) of joint enterprise between the state and domestic firms (Espinosa & Zimbalist 1978: 47). CORFO would manage production as the peak of a new industrial structure. Sectoral Committees would coordinate nationalised firms, which, in turn, would determine the output of smaller firms in the APM and private sector. These Committees comprised state representatives, state-appointed technical managers, and workers' representatives, and were envisioned as the basis for wider General Management bodies (Ortega *et al* 1989: 224-235; Garreton 1973: 66-67). These changes thus represented a progressive means of overcoming the double crisis, putting control over production first in the hands of the state and, eventually, into the hands of workers.

Alongside nationalisation, the UP prioritised a "reactivation" of manufacturing. Overall growth during 1971 was 8 to 9 per cent, with manufacturing growth even higher at between 12 and 14 per cent (Vuskovic 1973: 52). The share of manufacturing value-added to GDP was close to 30 per cent of GDP by 1972, industrial income rose by 12.9 per cent between 1970 and 1971, and manufacturing output rose to its highest levels, surpassing its 1968 peak (see Table 20; Mamalakis 1976: 164). By 1973, manufacturing employment had also risen by over 100 000 to roughly 664 000, one and a half times levels in 1960 (Stallings 1978: 256-257). Nevertheless, this rapid surge came with costs. It is claimed there was a "dramatic decline in productive capacity… [and] the worst inflation" caused by deficit spending, wage increases above productivity, and "limitless" subsidies to inefficient state-run firms (Mamalakis 1976: 164; Sigmund 1977: 279). Government deficits in relation to GDP rose from 9.8 per cent in 1971 to 14.2 per cent in 1972 and public sector debt rose from 15.1 per cent of GDP in 1971 to 24.5 per cent in 1972 and finally to 30.5 per cent in 1973, leading the country to the "brink of hyperinflation" with prices rising by more than 600 per cent (Velasco 1994: 396). Thus whilst the UP attempted to address the double crisis through expansive industrial growth and rising employment, its "success" remains contentious.

Table 20: GDP and Manufacturing Value-Added, Chile, 1970-1973 (data accessed from MOxLAD Database)

Year	Real GDP (Millions 1970 Chilean Escudos)	Constant Manufacturing Value-Added (Millions 1970 Chilean Escudos)	Share of Constant Manufacturing Value-Added to Real GDP (%)
1970	86 541	23 570	27.2
1971	94 291	26 796	28.4
1972	93 147	27 549	29.6
1973	87 964	25 754	29.3

Yet these critiques obscure the most important aspect of these transformations. Rapid levels of employment growth, for example, demonstrate the centrality ascribed to worker participation. Under Allende, the CUT became the main social base for the government, shifting the weight of direct policy influence from business association representatives to labour leaders. Alongside party members, workers held positions in state agencies, state-run firms, and on the new National Development Council (Stallings

1978: 59 & 127; Angell 2010: 14). This was also extended to participation within factories through the establishment of "General Workers' Assemblies" that chose representatives to an "Administrative Council" of the APS and to the "Production Unit Assemblies" that contributed to production committees and consultative bodies for state-appointed management. At their peak, these schemes incorporated around 50 000 workers in the manufacturing sector (Silva 1999: 85-86). As such, despite their limited coverage, they were a vital demonstration of workers' growing political influence.

Moreover, even on their own terms, such critiques of the UP neglect crucial salient facts. For example, the UP did address some of the imbalances generated by rapid industrial expansion. After 1972 they sought to minimise early losses caused by price controls in the APS and encourage these firms to become self-financing and less reliant on bank credits (Castillo 2009: 93). Industry did not simply expand unchecked, as has been claimed, but was guided by measures to reorient its priorities. Alongside increased worker participation, for example, there was significant redistribution as workers' relative share of total income rose from 51 per cent in 1970 to 62.9 per cent in 1972 (Salazar & Pinto 2010a: 47). Real industrial wages rose rapidly, particularly between 1972 and 1973, and, despite inflation preventing the gains being felt more significantly, they were a demonstration of the new priorities of the state (see Table 21). Rather than restrict wage increases to offset inefficiencies, the UP supported increasing wage increases to boost domestic demand and to consolidate the participation of workers both over production and in the gains from rising industrial output and domestic growth.

Table 21: Real Industrial Wage Index, Chile, 1970-1973 (1955 = 100) (adapted from Pinchot 1991: 538)

Year	Industrial Wage Index	Consumer Price Index	Real Industrial Wage Index
1970	6 211	3 948	157
1971	8 873	4 753	187
1972	14 641	8 432	174
1973	44 366	38 329	116

These strategies, therefore, sought to reverse decades of the constraints imposed on workers. Despite representing only the beginnings of a revolutionary process, or a "pre-revolution", it was experienced by those who participated in it as an actual revolution

(Moulian 2005: 35-36). Strike participation peaked in 1970 and remained higher than at any time previously, with, for example over one million work days lost between 1971 and 1972. There was also a concomitant expansion of the political institutions of labour, with membership rising by close to 100 000 (Angell 2010: 24; Cancino 1988: 219; see Tables 22 & 23). These were not mobilisations in opposition to the state, but alongside factory seizures, occupations, and alternative models of workplace organisation, they represented efforts by workers to lead the transition to socialism the UP had begun. The result was a new "popular political project" mobilised in the contemporary conjuncture but based on the "historical tradition of the Chilean popular movement… mutual solidarity, democratic control, democratic control of production, and participation" (Castillo 2009: 269). As a result, examples of worker self-management in production and even calls to self-government proliferated. Of these, moreover, the most significant development for industrial workers was the establishment of the *cordones industriales*. These nascent examples of self-management and self-government were an insight into the revolutionary potential of the autonomous political institutions of the working class.

Table 22: No. of Strikes and Participation, Chile, 1970-1972 (adapted from Stalling 1978: 247, table A.5)

Year	No. of Strikes	Blue-Collar Participants	White-Collar Participants	Total No. of Participants
1970	1 819	-	-	656 170
1971	2 709	182 770	119 628	302 398
1972	3 289	232 373	164 769	397 142

Table 23: Union Membership, Chile, 1970-1972 (adapted from Stallings 1978: 246, table A.4)

Year	Blue-Collar Unions	White-Collar Unions	Agricultural Unions	Total
1970	197 651	239 323	114 112	551 086
1971	205 300	252 924	127 782	586 006
1972	213 183	282 181	136 529	631 891

In response, however, firms and their political allies became increasingly aggressive. The PDC and the National Party (PN) used their position in the National Congress to block all UP legislation and to table legislation aimed at reducing nationalisation, as well as seeking to impeach ministers to disrupt the government (De Vylder 1976: 82-83). Credit was withdrawn from the US, the World Bank, and the International

Development Bank and, by 1972, any support from domestic firms, which had initially been marked by a "wait-and-see" attitude, ended with private investment collapsing (Stallings 1978: 133; De Vylder 1976: 62 & 84). This culminated in October 1972 with the truck-drivers', or "Bosses' Strike", that paralysed the economy. This was an important turning point that "marked… the replacement of mobilisation led and manipulated by the political parties, by a mobilisation directly generated by the owners of firms" (Valenzuela 1989 cited in Salazar & Pinto 2010b: 45). In a bid to placate these tensions, in 1972 a ministerial meeting headed by Allende proposed an alliance with the PDC and a reversal of many earlier UP policies. By 1973, Allende and the PC were pressing forward with such agreements, primarily aimed at shrinking the APS and protect private property (Castillo 2009: 92; Gaudichaud 2005: 99-100). This brought increasing tensions within the leadership of the UP and with workers that continued to press forward with their own changes and confront firms and their political allies.

The breakdown of ISI that was confirmed by the political violence instigated by the Right and the Chilean military in 1973 was the culmination of political tensions that had emerged throughout the preceding decades of ISI. Most significantly, it was the outcome of attempts to resolve a double crisis centred upon the militancy of the working class. Repression and limited progressive reforms failed, resulting in the establishment of a radical government explicitly backed by workers. Yet as this increasingly came up against the institutional constraints of the Chilean "Compromise State" and, as the working class continually sought to extend transformations beyond its bounds, the threat to firms and their political allies became too great. New forms of workers' mobilisation, in particular, challenged the dominance of these political actors. Military intervention and the brutal repression of the political institutions of the working class were then the only means to prevent this from leading to the establishment of a radical, and potentially revolutionary, new trajectory for industrialisation.

The Failed Consolidation of Repression, Reform, and Revolution

This chapter has demonstrated the significance of the persistent and changing conflicts between firms, the state, and workers that constituted the emergence, consolidation and breakdown of ISI in Chile. The Depression and crises of the 1930s did not engender a new economic model riven by contradiction and crisis, but rather consolidated the intensification of conflicts that were already present in the country and shifted them into the new urban centres of industrial manufacturing. From here, resolutions manifested in the attempted conservative restoration, the limited progressive strategies of the Popular Front, and the return to political repression attempted to pacify of the working class. The result, however, was the consolidation of the double crisis of Chilean industrial manufacturing. The two aspects of this crisis, low domestic demand and persistent worker militancy, were continually reproduced by renewed attempts to impose a resolution to political tensions within ISI. Industrial manufacturing continued to grow at a relatively rapid pace throughout these decades, but attempts to reorient it through direct state intervention, opening up to foreign investment, and limited concessions to workers left tensions unresolved. Despite the institutional constraints imposed upon the working class, workers continued to exercise a degree of political influence through legal and illegal forms of mobilisation that stymied efforts to consolidate unfavourable outcomes and, instead, began to establish a potentially revolutionary alternative.

For the state, therefore, it was attempts to resolve the conflicts that had been generated and consolidated within and around industrial manufacturing that determined policy decisions. Whether these involved repression and restriction on workers' capabilities or whether they sought to offer limited degrees of incorporation into the decision-making process or the gains generated by ISI, it was in their engagement with workers that these strategies and their outcomes were determined. Typically, the role of the state during this period is understood as characterised by the tensions that had accumulated around the failure to build on favourable conditions created by copper exports, institutional stability, and relatively independent economic institutions of the state. However, once the focus is moved away from the political institutions of the state as mediating relationships with the international political economy or acting as a stable institutional

space within which elite political actors negotiate conflict, it is possible to identify its direct role in reproducing and consolidating the political tensions that constituted the trajectory of ISI. Actors within the state were actively limiting the institutional space through which workers could mobilise, attempting to pacify workers through limited concessions, and repressing mobilisations and organisations that posed a growing threat.

Workers, moreover, had an influence over these decisions that belied their limited institutional representation. The fragmentation of the political institutions of labour inadvertently began to open space for the consolidation of a working class capable of challenging attempts by firms and the state to construct a trajectory of ISI that directly sought to restrict their share in the distribution of gains and, most significantly, their political influence within and beyond the workplace. The role of these political institutions of labour, therefore, is particularly interesting. On the one hand, they were important in the brief pacification of workers' militancy under the Popular Front, allowing for the reversal of some of the more progressive measures. On the other hand, they were vital in the formation and consolidation of the working class as an active and radical political subject. Due to the initial fragmentation of these institutions, they were more responsive to workers' demands, supporting mobilisations and allowing the dissemination of radical political ideas. This limited the formation of social coalitions and consolidated conflict within and around the trajectory of ISI. To understand this conflict, its manifestation, and its extent and limitations, however, it is necessary to look deeper at the engagement between work, resistance, and subjectivity in the workplaces of one of the leading sectors of Chilean industrial manufacturing: the textile sector.

Chapter 3

The Continuities of State-Led Discipline in Argentina

The experiences of Argentina between 1930 and 1976 offer a much clearer demonstration of the cautionary tale of ISI. First, military intervention and political upheaval pervaded a political system characterised by deep-rooted tension and an inability to ensure peaceful democratic transitions (Sikkink 1991: 5). Second, this upheaval produced limited continuity in the policies adopted by these institutions, with little consistency either in their capacities and capabilities or in their priorities (Dezalay & Garth 2002: 23-24; Sikkink 1991: 178-179). Third, after the 1930s the state grew exponentially under governments of various political tendencies, focusing on the extension of an incoherent intervention and on exerting the will of the prevailing political coalition (O'Connell 2000: 177; Skidmore & Smith 1997: 88; Sikkink 1991: 183-186). Therefore, it is the relative incoherence of the political functions of the state and the tensions within its institutions and between the political elites that occupied them that typically provide the explanation for the instability of the trajectory of ISI.

Understanding the experience of growing tensions around ISI in Argentina, however, must instead begin in the rapid changes that were occurring beneath the political institutions of the state. In particular, rather than understand these conflicts as occurring between political elites – liberal, conservative, Peronist, or reformist – struggling for control within the state, the starting point should be the conflicts that were occurring within the workplace and the political influence of workers from within these spaces. Much of the early analysis of the working class in Argentina focused on the role of Peronism and how this constituted the limits of and possibilities for workers' influence (Germani 1971; Murmis & Portantiero 2004). More recent research, however, has

moved to consider the impact of industrialisation on the workers' themselves, on their changing abilities to confront firms and the state, and on the diverse character of mobilisation (Doyon 2006; Schneider 2005; Schiavi 2008; Basualdo 2010; Iñigo Carrera 2012). Moving beyond Peronism to the political influence of workers within and beyond the political institutions of labour is highly significant. However, further efforts will be made in this chapter to reconnect workplace conflict to the strategies of firms and the state to show how the working class determined the trajectory of ISI.

This chapter will argue that the intensification and pacification of workplace grievances, the re-appropriation of nationalist ideas, and the constraints on workers' autonomy determined their influence over the trajectory of ISI in Argentina. Following the steady recovery of manufacturing in the 1930s, workers established new forms of representation. Their struggles to confront the state engendered increasing imperatives for further support for industrial manufacturing. As a result, Perón came to power and, with the support of the political institutions of labour, expanded the role of the state in consolidating ISI. The pacification of workers' struggles this produced, moreover, was bolstered by continued growth in manufacturing and wages, but, as these stagnated, the state attempted to embed new forms of control through stabilisation and rationalisation. This led to a resurgence of conflict, with new forms of control established under an alliance between foreign firms and the authoritarian state, which served to exacerbate the intensification and radicalisation of workplace conflict. However, as this reached its apogee at the end of the 1960s, the strengthening of the political institutions of labour fragmented these struggles. The breakdown of the 1970s, therefore, rather than represent the inability of elites to embed a stable ISI within the state, was the direct outcome of ongoing political conflicts that emerged from within the workplace.

Crisis, Conflict, and the Political Foundations of ISI

This section will examine the consolidation of workplace conflicts within industrial manufacturing in response to the relatively limited impact of the Depression in Argentina. Manufacturing was well-established by the early decades of the twentieth

century, with significant political institutions of labour engaging directly with the state. After the crisis, however, the state attempted to reverse some of the progressive gains that these institutions had achieved. This involved expanding state involvement in supporting traditional activities alongside some concomitant gains for connected manufacturing sectors. The result was to exacerbate conflict between workers, firms, and the state, with radical political institutions of labour leading small, well-organised fractions of the working class. The mobilisations that emerged, moreover, consolidated these institutions and their emergent relationship with the state, encouraging further intervention in support of manufacturing alongside limited wage gains for workers.

The Limits of External Crisis and the Consolidation of Industrial Growth

Industrialisation in Argentina in the early decades of the twentieth century was led by traditional sectors, including foodstuffs and textiles, linked to the still-buoyant export sector. After the Depression, manufacturing quickly recovered, but without the direct state support that typified ISI. The new military-backed coalition offered indirect support to keep down domestic costs and to support their increasingly diversified economic interests. Significantly, the dynamic of social conflict that came to characterise the 1930s was already present. In response, political repression combined with deliberate efforts to keep down wages, engendering strikes against the strategies of the state. In these strikes, workers were organised by national trade union federations linked to anarchism, syndicalism, and the Communist Party, as the consolidation of conflict produced the consolidation of these political institutions of labour.

Traditional manufacturing sectors grew significantly during the nineteenth and early twentieth centuries. Foodstuffs, for example, constituted over 50 per cent of manufacturing output. These sectors were driven, primarily, by rising domestic demand caused by booming export incomes and high levels of immigration (Díaz Alejandro 1970: 211-212; Ferrer 2008: 203; Belini & Korol 2012: 54). The breakdown of international trade in 1914, however, led to a relative decline, with recovery again in the 1920s led by large domestic and foreign firms operating in a context of indifferent, or outright hostile, government policy (Katz & Kosacoff 1989: 48; Belini & Korol 2012: 57-58; Katz & Kosacoff 2000: 283; Díaz Alejandro 1970: 215- 218). Political tensions,

moreover, also began to emerge. In particular, prominent political institutions of labour forced governments to meet workers' demands. These institutions were led by socialist and anarchist groups, with federations increasing their memberships dramatically throughout the 1920s. The anarchist Argentine Regional Workers' Federation (FORA), for example, expanded from 3 000 to 70 000 members between 1915 and 1920, whilst wages that had fallen by around 38 per cent in Buenos Aires between 1914 and 1918, had, by 1921, recovered to 1914 levels and, by 1929, risen by a further 32 per cent (Belini & Korol 2012: 29-34). Wage concessions and growing political institutions of labour, as such, characterised the trajectory of industrialisation during these decades.

Changes brought about by the Depression, moreover, were limited. The manufacturing sector did see some important continuing growth. It grew dramatically as a proportion of GDP and relative to agriculture (Girbal-Blacha 2004a: 41; see Table 24). Yet this was not the result of deliberate state intervention. The Concordancia (1931-1943) did introduce exchange controls in 1931, an exchange control commission in 1933, and the Central Bank in 1935 (Cortés Conde 2009: 86-109). However, these policies primarily sought to bolster public incomes or agricultural growth (Díaz Alejandro 2000: 31; Whitaker 1975 cited in Teubal 2001: 30-1). Economic recovery during the 1930s was driven, not by manufacturing, but by a recovery in traditional agricultural exports. Whilst declining export prices caused a contraction in GDP of around 14 per cent, bilateral agreements with the UK and US limited the severity of declines in export volume. As a result, export price recovery was the most important "engine of growth" after 1932 (Belini & Korol 2012: 68; O'Connell 2000: 176). Moreover, probate records show that, during this period, landowners also increasingly began to diversify their assets into manufacturing (Hora 2002: 614). Links to buoyant export sectors and the concomitant investment made by traditional landowners were the main impetus behind manufacturing growth after 1930, rather than the clear indifference of the state.

Table 24: GDP and Manufacturing Value-Added, Argentina, 1929-1936 (data accessed from MOxLAD Database)

Year	Real GDP (Millions of 1970 Argentine Pesos)	Constant Manufacturing Value-Added (Millions of 1970 Argentine Pesos)	Share of Constant Manufacturing Value-Added to Real GDP (%)
1929	24 471	5 064	20.7
1930	23 460	5 008	21.3

1931	21 830	4 446	20.4
1932	21 114	4 177	19.8
1933	22 097	4 734	21.4
1934	23 853	5 374	22.5
1935	24 907	5 523	22.2
1936	25 075	5 864	23.4

Where the role of the state was significant, however, was in reversing earlier gains made by workers across industrial manufacturing. This was most clearly demonstrated in the disparity between economic recovery and wage stagnation. Overall real wages in Buenos Aires remained stagnant after 1932, collapsing by 1936 (see Table 25). Average industrial wages in Buenos Aires, moreover, fell from an index of 100 in 1929 to 81 in 1932. This was caused directly by the measures implemented by the state. Minimum wage rates were denied, worker organisation disrupted, and labour legislation ignored (Munck *et al* 1987: 108). Earlier tensions were, therefore, consolidated in the manufacturing sector. Strikes surpassed their previous peak in 1932, and each year between 1934 and 1936 (see Table 26). Industrial workers led this surge, moreover, contributing 26.7 per cent of reported unrest between 1930 and 1943, with, between 1934 and 1942, 72 per cent of strikes and 48.7 per cent of work days lost coming from manufacturing, despite the sector contributing only 16 per cent of unionised workers (Korzeniewicz 1993: 9; Munck *et al* 1987: 113). Attacks on workers and the political institutions of labour, therefore, consolidated the conflicts the state sought to repress.

Table 25: Real Wages in Buenos Aires (1925/1929 = 100), 1930-1936 (adapted from Munck et al 1987: 124, table 10.8)

Year	Real Wages
1930	95.80
1931	103.16
1932	109.47
1933	101.05
1934	104.21
1935	106.32
1936	100

Table 26: Strike Statistics, Argentina, 1925-1936 (adapted from Doyon 2006: 252 & Iñigo Carrera 1936: 52)

Year	Strikes	Striking Workers	Work Days Lost
1925	89	39 142	125 367
1926	67	15 880	287 279
1927	58	38 236	325 963
1928	135	28 108	224 800
1929	113	28 271	457 022
1930	125	29 331	669 790
1931	43	4 622	54 531
1932	105	34 562	1 299 061
1933	52	3 481	44 779
1934	42	25 940	742 256
1935	69	52 143	2 642 576
1936	109	85 438	1 344 461

These conflicts, moreover, were mobilised around various political ideas. In the General Confederation of Labour (CGT), for example, syndicalists emphasised deepening links with the state, an apolitical approach to strikes and protest, and support for state intervention and mediation in workplace disputes (Korzeniewicz 1993: 30-31). Communists and anarchists, however, offered an alternative, with the former organised around the Committee of Class Struggle Unity (CUSC) taking the lead in the increase in strikes throughout the 1930s (*ibid*: 22-23; Camarero 2007: 201-211). Nevertheless, close relations were already being established with the state by both the CGT and CUSC. Whilst the former was the most conducive to this tendency, even the latter frequently turned to the state to meet its demands (Horowitz 1983: 107-110). Thus whilst this increased the capacity of these institutions to resolve grievances, it did so in a manner that strengthened the institutions themselves, particularly whilst membership remained low (see Table 27; Munck *et al* 1987: 108). As a result, the upsurge in strikes of the 1930s saw these institutions grow in influence, but also pacify workplace conflict.

Table 27: Union Membership in Selected Sectors, Argentina, 1936 (adapted from Iñigo Carrera 2012: 68 & Doyon 2006: 37-38)

Sector	No. of Workers	Union Membership	Affiliated Workers (%)
Industry (Total)	472 152	73 282	15.5
Foodstuffs	108 378	10 688	9.9
Metalworking	85 754	1 975	2.3
Textiles	-	5 550	-

Woodworking	30 910	8 827	28.6
Chemicals	16 676	166	1.0

This combination of mobilisation and pacification was most clearly apparent in the most important working class mobilisation of the 1930s that occurred in 1936. Despite continuing efforts to placate growing tensions, the combination of worker militancy and the increasingly prominent political institutions of labour produced a general strike on 7th and 8th January 1936. Although demands were mainly limited to incorporation into the prevailing institutional system, there was an important current that contained "elements of confrontation with that system… to transcend and transform it radically" (Iñigo Carrera 2012: 322-323). This challenge, however, did not bring about its transformation, but only consolidated an alliance between the political institutions of labour and the political parties marginalised by the Concordancia (*ibid*: 326-333). Industrial workers, therefore, were directly confronting the repression of the Concordancia, but, in the process, were allowing the conditions to be set for their own pacification beneath the increasingly influential political institutions of labour.

The general strike of 1936 thus marked the culmination of tensions that had emerged during the early twentieth century. In attempting a recovery characterised by growth in traditional sectors, the Concordancia only consolidated emergent workplace conflict across manufacturing. Whilst workers mobilised in unprecedented levels, the result, however, was primarily the strengthening of the political institutions of labour. Low levels of representation and established relationships with the state meant these institutions became increasingly prominent. Despite the continued presence of radical political ideas and activists, the main impetus was already towards the pacification of the working class. Yet these institutions, and the workers they represented, continued to pose a growing threat to firms and the state. As such, increasingly direct support was provided for manufacturing, particularly with concessions granted to wage demands.

The Failure of Repression, Conflict, and the Reorientation of the State

It was increasingly clear that repression was only exacerbating tensions and conflicts throughout the manufacturing sector. Meeting the wage demands of workers through

partial compromises marked the beginning of a shift in attempts to exert control over the working class. Even more significant, however, were the strategies directly targeting the independent growth of the sector. Demands from employers' organisations and the political institutions of labour called for increased protection and, to placate these demands and minimise provoking the working class that had mobilised with such force in 1936, direct state support for manufacturing emerged. As a result, there was a restructuring in which non-traditional sectors growing far more rapidly, helping to establish manufacturing as an independent leading sector. Within the state, moreover, efforts to consolidate this growth emerged, particularly with the 1940 Pinedo Plan.

By the mid-1930s, the transformation of industrial manufacturing was occurring at an increasingly rapid pace. Overall, it had grown in absolute and relative terms and, between 1935 and 1946, the number of factories and installed capacity rose by over 55 per cent and employment by 130 per cent to over 1 100 000 workers. This period saw the previously dominant foodstuffs, beverages, and tobacco decline from representing 31 per cent of establishments to 22 per cent, from 27 per cent of employment to 23 per cent, from 42 per cent of production to 34 per cent, and from 32 per cent of value-added to 27 per cent (see Table 28; Belini & Korol 2012: 95-101). In response, there was mounting pressure for increased support from both firms and workers, particularly in traditional sectors. For example, the Argentine Industrial Union (UIA) and the Textile Workers' Union (UOT) came together to argue foreign "dumping" represented unfair competition, to demand protection for domestic producers, and to call for the inclusion of the political institutions of labour in resolving issues facing the "national economy" (Korzeniewicz 1993: 33-34). This period saw the consolidation of a restructuring towards non-traditional sectors and increasing pressures for direct state intervention.

Table 28: GDP and Manufacturing Value-Added, Argentina, 1936-1943 (data accessed from MOxLAD Database)

Year	Real GDP (Millions of 1970 Argentine Pesos)	Constant Manufacturing Value-Added (Millions of 1970 Argentine Pesos)	Share of Constant Manufacturing Value-Added to Real GDP (%)
1936	25 075	5 864	23.4
1937	26 901	6 225	23.1
1938	27 014	6 596	24.4
1939	28 039	6 849	24.4

1940	28 503	6 715	23.6
1941	29 964	6 983	23.3
1942	30 315	7 741	25.6
1943	30 076	8 081	26.9

Alongside these changes, there was a continued expansion of union membership. In the CGT, it rose from 262 630 in 1936 to 330 681 in 1941 and in the autonomous federations (including those affiliated to the CUSC) it rose from 72 834 to 118 838, with membership increasingly significant in the traditional sectors of manufacturing (Munck *et al* 1987: 115; see Table 29). However, whilst membership rose, activity declined. For example, from an index of 100 in 1935 for the number of meetings and attendance, there was a drastic decline by 1942 to 64 and 27 respectively (Munck *et al* 1987: 116, tables 10.7). Strikes, moreover, were less frequent and with lower levels of participation (see Table 30). This decline was primarily due to the growing level of state mediation. Between 1930 and 1935 the percentage of strikes with no mediation was consistently around 75 per cent, peaking at 85.8 per cent in 1932, but by 1936 this figure had fallen to 64.6 per cent, with 28.6 per cent of strikes receiving mediation from the state. This increased between 1937 and 1942, with around half receiving direct mediation from the state by this period (Korzeniewicz 1993: 25). Workers' mobilisation had strengthened the political institutions of labour, but the continuing growth in mediation this had engendered imposed new constraints. Rising levels of state mediation narrowed the potential for imposing new imperatives on firms and the state.

Table 29: Union Membership in Selected Sectors, Argentina, 1941 (adapted from Doyon 2006: 37-38)

Sector	No. of Workers	Union Membership	Affiliated Workers (%)
Industry (Total)	-	145 572	-
Foodstuffs	150 941	29 171	19.3
Metalworking	136 841	4 459	3.3
Textiles	75 000 (approx.)	15 504	16.6 (approx.)
Woodworking	53 454	6 304	11.8
Chemicals	30 064	250	0.8

Table 30: Strikes and Participation, Argentina, 1925-1936 (adapted from Doyon 2006: 252)

Year	Strikes	Striking Workers	Work Days Lost
1936	109	85 438	1 344 461
1937	82	49 993	517 645
1938	44	8 871	228 703
1939	49	19 718	241 099
1940	53	12 721	224 599
1941	54	6 606	247 598
1942	113	39 865	634 339
1943	85	6 754	86 290

These increasing levels of pacification are illustrated by the outcomes of workplace conflict during latter half of the 1930s. Whilst prior to 1935 most strikes had resulted in negative outcomes for workers, after this year the balance shifted significantly to positive, but partial, compromises. Between 1935 and 1942, strikes with wholly negative outcomes fluctuated between low levels of 3.6 and 13.8 per cent, compared to figures between 56 and 91 per cent in the first half of the decade (Doyon 2006: 40). Real wages, moreover, remained relatively stable in Buenos Aires after 1936 (see Table 31). These outcomes can be attributed to two main causes. First, the increasing levels of mobilisation and the militancy of the working class forced firms and the state to adopt a more conciliatory stance than previously. Resolution was favoured over direct repression. Second, these victories were the outcome of the increasing incorporation of the political institutions of labour. The partial nature of victories, however, meant workers' earlier militancy was being pacified by these institutions, as the combination of repression and limited concessions undermined workers' political influence.

Table 31: Real Wages in Buenos Aires (1925/1929 = 100), 1936-1944 (adapted from Munck et al 1987: 124, table 10.8)

Year	Real Wages
1936	100
1937	101.05
1938	101.05
1939	102.11
1940	103.16
1941	103.16
1942	106.32
1943	112.63

The limit on workers' political influence was epitomised by the failure of the Pinedo Plan in 1940. The Plan was authored by Federico Pinedo, then Minister of the Economy, but strongly influenced by the head of the Central Bank, Raul Prebisch, and represented the first coherent effort in Argentina at economic planning and state intervention favouring domestic manufacturing (Rock 1993: 212). Although never implemented due to Congress opposition to the Concordancia rather than the actual policy content, it included the following proposals: agricultural price supports, cheap housing in the cities, credit provision to promote industry, and extended tariff and trade protections (Cramer 1998: 536-537). Most importantly, its failure demonstrated the limits on workers' ability to impose sufficient imperatives on the state to implement a more decisive transformation in the trajectory of industrialisation.

Whilst the Pinedo Plan was never implemented, its articulation hinted at the recognised need for a reorientation in the role of the state. However, by mediating tensions through partial concessions, the imperatives to fundamentally transform this role were drastically weakened. Yet this pacification, and the wage concessions that came with it, was only temporary. As the sector continued to expand so did the potential for a repeat of the 1936 general strike. The political institutions of labour still only represented a limited fraction of the industrial working class, particularly in the now fastest-growing sectors that were no longer linked to traditional exports. As a result, a more comprehensive transformation was soon required. The military takeover that came in 1943 represented such a shift. Most importantly, it consolidated the continuing efforts of the state to exert control over the working class by strengthening the political institutions of labour and the state's capacities for direct economic intervention.

The Pacification of the Working Class and the Consolidation of ISI

This section will explore the implications of renewed efforts to establish state control over the working class, emphasising the continuities with the earlier consolidation of conflict, the establishment of a new political alliance between the state and the political institutions of labour, and the limitations this imposed for workers and manufacturing.

The emergence of the CGT during the 1930s and its nascent relationship with the state was firmly established after 1946. However, the ostensible transformation in the significance of the state after this date represented a degree of continuity. The Peronist state represented the consolidation of emergent state-led discipline around new apparatus for economic intervention. In the first instance, this was achieved with concessions to the political institutions of labour. Yet as the limited effectiveness of this strategy became apparent in the stagnation pervading leading sectors of manufacturing, more aggressive forms of discipline were imposed through stabilisation, rationalisation and the return to state support for traditional economic actors and activities.

Consolidating the Myth of Populist Industrialisation

Rather than mark a significant break with the preceding decade, the strategies adopted after 1943 were characterised by an ongoing expansion of state intervention and the consolidation of the relationship between the political institutions of labour and the state. Initially, this produced a rapid growth in manufacturing, with the state apparatus now directly supporting it through credit, tariffs, and, in some important cases, direct ownership. Structural transformation also proceeded at a more rapid pace, as non-traditional sectors grew most rapidly. The most important effect, however, was the pacification of workplace conflict. The state offered concessions to workers in wages and political organisation, facilitating an increase in participation and membership, but also securing a definite decline in political militancy. Yet these strategies continued to rely on workers' mobilisations and it was this threat, pushing against the new constraints, which permitted the consolidation of an ostensibly populist trajectory of ISI.

The military government of 1943 to 1946 and Juan Perón (1946-1955) quickly set about expanding state intervention. By mid-1946, the Central Bank and private deposits were nationalised and the Argentine Institute for the Promotion of Trade (IAPI) was established. These institutions, combined with new monetary and credit policy, led to increases in public spending of over 60 per cent between 1946 and 1955 (Belini & Korol 2012: 115). Under Perón, much of this initially targeted the 80 per cent of the roughly 85 000 industrial establishments in 1945 that employed less than one hundred workers (Girbal-Blacha 2003: 39). Yet the state also gave support to the largest firms,

whilst nationalisation led to an increase in state participation in production and employment, which tripled to 10 per cent and 12 per cent respectively (Belini & Korol 2012: 126-129). Although justifying these interventions as targeting national "strategic" industries, it was fear of bankruptcy that encouraged much of this activity (Brennan 1994: 4; Brennan & Rougier 2009: 13). Nationalised firms were placed under the control of the National Directorate of State Industries (DINIE), which focused on expansion of the internal market, redistribution towards workers and manufacturing, and full employment. Most significantly, it took control, between 1947 and 1950, of twenty-nine former German firms in metalworking, chemicals, and electrical goods (Belini 2001: 98-101). The state, therefore, was integral to consolidating the restructuring of industrial manufacturing around these leading non-traditional sectors.

Overall, these measures had a mixed effect. Industry had already peaked in terms of the share of manufacturing value-added to GDP as early as 1947. The figures for both relative and absolute growth, moreover, demonstrate the ongoing instability of the trajectory of ISI (see Table 32). Initially, manufacturing grew at an 8 per cent average annual rate, but it entered in crisis between 1948 and 1952, falling by 1.4 per cent (Cortés Conde 2009: 185-188). Yet whilst growth was not as impressive as typically believed, structural changes continued. Between 1946 and 1955 in traditional sectors, overall capital stocks rose by 25.3 per cent, employment by 9.3 per cent, output by 10.5 per cent, capital per worker by 5.3 per cent, and output per worker by 1.1 per cent. However, in non-traditional sectors, capital stocks rose by 118.2 per cent, employment by 19.9 per cent, output by 51.5 per cent, capital per worker by 86.7 per cent, and output per worker by 29.6 per cent (Sidicaro 2002: 75, table 3). It was this restructuring toward non-traditional sectors, therefore, that marked the most important changes under Perón.

Table 32: GDP and Manufacturing Value-Added, Argentina, 1943-1952 (data accessed from MOxLAD Database)

Year	Real GDP (Millions of 1970 Argentine Pesos)	Constant Manufacturing Value-Added (Millions of 1970 Argentine Pesos)	Share of Constant Manufacturing Value-Added to Real GDP (%)
1943	30 076	8 081	26.9
1944	33 490	8 876	26.5
1945	32 408	8 458	26.1
1946	35 302	9 216	26.1

1947	39 221	10 722	27.3
1948	41 399	10 418	25.2
1949	40 837	9 690	23.4
1950	41 342	9 886	23.2
1951	42 949	10 145	23.7
1952	40 788	9 954	24.4

Most significantly, moreover, it was the pacification of workplace conflict that permitted these changes. After 1943, the CGT No. 2, formed by Socialist and Communist Party leaders, was repressed in favour of the "moderate" CGT No. 1 (Munck *et al* 1987: 117-118; Doyon 2006: 100). Accompanying this repression, real wages rose and official prices of consumer goods were kept well below world market prices, providing workers with an indirect subsidy (Belini & Korol 2012: 116-117). Workers initially responded positively to this ostensibly conciliatory attitude adopted by the state, accepting real term wage gains up until 1949 and favourable state mediation (see Table 33; Adelman 1992: 248-250). Moreover, the CGT also gained unprecedented prominence, with, for example, the proportion of affiliated industrial workers rising from 39.5 per cent in 1945 to 55 per cent in 1954 (*ibid*: 121; see Table 34; Doyon 2006: 244). This conciliatory stance was permitted by labour leaders that pursued a political alliance with Perón mirroring previous strategies that favoured mediation (Horowitz 1983: 103-107 & 115; Luis Monzalvo 1974 cited in Munck *et al* 1987: 120). By offering limited concessions, Perón facilitated the strengthening of the political institutions of labour to sustain control and consolidate the ostensibly populist ISI.

Table 33: Real Wages in Buenos Aires (1943 = 100), 1945-1952 (adapted from Munck et al 1987: 144, table 11.6)

Year	Real Wages
1945	105.8
1946	111.7
1947	140.0
1948	172.9
1949	181.4
1950	173.6
1951	161.3
1952	143.1

Table 34: Union Membership for Selected Industrial Sectors, Argentina, 1946-1954 (adapted from Doyon 2006: 247)

Sector	1946	1948	1950	1954
Foodstuffs, Beverages and Tobacco	167 650	337 142	444 781	377 800
Textiles	60 995	100 899	107 500	121 000
Woodworking	21 855	39 045	40 000	23 000
Chemicals	5 000	-	20 000	31 000
Metalworking	21 855	108 326	112 500	118 000
Total	837 336	1 532 925	1 992 404	2 256 580

Yet the continued significance of worker militancy in constituting this trajectory of conciliation and populist state intervention should not be overlooked. The prominence of political activists of the Left was not simply extinguished after 1943, as members of the disbanded CGT No. 2 simply transferred their membership to CGT No. 1 (Munck *et al* 1987: 118). Moreover, protests on 1st May 1943 led by workers linked to the Communist Party and strikes in March 1944 demonstrated the continuing support for radical mobilisation (Doyon 2006: 102 & 106-109). Most significantly, the general strike of 17th October 1945 illustrated the continuing influence of the working class beyond the political institutions of labour. Workers and local activists led this protest, with support in general assemblies and widespread discontent pressing the political institutions of labour into action. Demands were wide-ranging: opposition to members of the conservative opposition entering cabinet roles, the formation of a democratic government in consultation with the CGT, immediate elections, the release of all prisoners incarcerated for supporting workers, and the maintenance of social reforms (*ibid*: 157-173). Its success, therefore, was premised not on the coordination of a narrow political leadership, but instead on pressure still generated by the workers themselves.

This continuing political influence of workers was also apparent in the upsurge in strikes that occurred after 1946. Striking workers numbered over 330 000 in 1946, over 500 000 in 1947 and around 300 000 in 1948, although this did decline significantly in 1949 (see Table 35). The autonomy of workers, however, was being sustained by the structures established within the political institutions of labour also facilitated their pacification. Article 49 of the 1945 Law of Professional Associations allowed workers to establish internal commissions that expanded political representation, monitored the implementation of labour legislation, provided a direct channel between workers and

their leadership, and transformed the balance of power in the workplace (Basualdo 2010: 87-89). On the one hand, these allowed workers to continue to pose a continuing threat to the prevailing trajectory of ISI. On the other hand, at this time, they also allowed for a consolidation of constraints over continuing workers' mobilisations.

Table 35: Strikes and Participation, Argentina, 1943-1952 (adapted from Doyon 2006: 252)

Year	Strikes	Striking Workers	Work Days Lost
1943	85	6 754	86 290
1944	27	9 121	41 384
1945	47	44 186	509 024
1946	142	333 929	2 047 601
1947	64	541 377	3 467 193
1948	103	278 779	3 158 947
1949	36	29 164	510 352
1950	30	97 048	2 031 827
1951	23	16 356	152 243
1952	14	15 815	313 343

It was these constraints, most importantly, that enabled the "liberal turn" in Peronism after 1949. Consolidating the influence of the political institutions of labour was integral to the establishment of control over the working class, to limiting its potential to resist the imposition of new disciplinary strategies aimed at resolving the instability within ISI in favour of firms, and to constrain the threat that workers had earlier demonstrated. The decline in workers' mobilisations, however, was only a temporary solution that quickly demonstrated its limits. In supporting growth in both the largest firms, with the greatest ability to sustain control, and the smallest firms, which represented a significant proportion of employment and a fragmentation of the working class, Perón had consolidated inefficiencies that could only be addressed by a resort to stabilisation, rationalisation, and increasing demands for productivity. In consolidating the political institutions of labour as a source of control, moreover, these strategies had inadvertently created new spaces for the manifestation of the radical autonomy of the working class. It was such changes that came to characterise the new locus of conflict around ISI.

The "Change of Direction" and the Renewed Disciplining of the Working Class

The so-called "change of direction" or "return to the countryside" in 1952 saw attempts to address manufacturing stagnation through stabilisation, support for rural exports, and the encouragement of foreign investment. The most significant change, however, was its impact on the workplace. Stabilisation, the reorientation of state support, and appeals to foreign firms resulted in a significant squeeze on wages and an undermining of the earlier compromise that had allowed for the consolidation of relatively extensive industrial growth. This breakdown in the conditions necessary to pacifying the working class, therefore, resulted in a resurgence of workplace conflict. The growing number of strikes, which led to some concessions for workers, remained unresolved in some of the most important manufacturing sectors. In response, domestic firms increasingly adopted aggressive stances to deepen discipline within and beyond the workplace.

As Noemí Girbal-Blacha (2003) has demonstrated, this "shift" was actually a continuation of earlier strategies that began as early as 1949. The removal of domestic industrialist Miguel Miranda as Economics Minister and his replacement with Alfredo Goméz Morales, however, made this explicit. Stabilisation and rationalisation measures intensified after 1952, focusing on reversing some of the extensive expansion of manufacturing and giving greater priority to agricultural sectors (Brennan 2007: 53). In manufacturing, there was increasing support for large-scale, non-traditional sectors such as steel, chemicals, aluminium, and mechanical goods and an opening up of these to foreign investors (Belini & Korol 2012: 145). Monetary restriction also sought to rein in inflation that had developed as a result of earlier expansionary policies, wage rises and redistribution, and the broader failure to address the technological constraints on small firms (Brennan & Rougier 2009: 52-54). Overall, however, the effect on manufacturing was not particularly profound. Foreign investment was limited between 1953 and 1955 and, by 1955, growth had only just returned to pre-1949 levels (Katz & Kosacoff 1989: 30; Brennan 2007: 53). As a result, there was very limited change. The relative significance of manufacturing experienced a slight decline in 1953 and 1954, whilst in absolute terms, despite a slight drop in 1953, growth continued during 1954 and 1955 (see Table 36). There was, then, little change in the ostensible "change of direction".

Table 36: GDP and Manufacturing Value-Added, Argentina, 1952-1955 (data accessed from MOxLAD Database)

Year	Real GDP (Millions of 1970 Argentine Pesos)	Constant Manufacturing Value-Added (Millions of 1970 Argentine Pesos)	Share of Constant Manufacturing Value-Added to Real GDP (%)
1952	40 788	9 954	24.4
1953	42 949	9 898	23.0
1954	44 722	10 682	23.9
1955	47 881	11 989	25.0

One area where change was significant, however, was the workplace. Concessions and benefits that had been received by workers in the latter half of the 1940s were increasingly eroded. For example, with the exception of 1953, real wages in Buenos Aires declined to levels lower than at any time since 1947 (see Table 37). This marked an important shift as the courting of foreign investment, the open support for large domestic firms, and the attack on the wages of industrial workers put a growing strain on the political compromise that had been established. The period between 1951 and 1954, for example, saw a growing need for interventions in local sections of the political institutions of labour to bring them back under control, with 48 such cases carried out by the largest national federations (Doyon 2006: 369). Alongside this was an upsurge in strikes, with the number of workers mobilised and the number of working days lost increasing as protests were no longer halted by favourable mediation (see Table 38). For example, whilst strikes in 1954 resulted in agreements for wage rises of between 15 per cent and 18 per cent, in key sectors of tobacco and metalworking they remained unresolved (Doyon 2006: 382-385). Overall, the squeeze on wages brought about by efforts to impose a particular resolution to the crises of 1949 had reopened a confrontation between workers, firms, and the state that had only briefly been resolved.

Table 37: Real Wages in Buenos Aires (1943 = 100), 1952-1955 (adapted from Munck et al 1987: 144, table 11.6)

Year	Real Wages
1952	143.1
1953	249.3
1954	164.7
1955	163.0

Table 38: Strikes and Participation, Argentina, 1952-1955 (adapted from Doyon 2006: 252)

Year	Strikes	Striking Workers	Work Days Lost
1952	14	15 815	313 343
1953	40	5 506	59 294
1954	18	119 701	1 401 797

In response to these deepening tensions, two "productivity conferences" were organised by Perón, the CGT, and the leading employers' association for domestic firms, the General Economic Council (CGE). The first (23rd to 28th August 1954) was "largely intended to redress the balance of power in the workplace… [with] the purpose of the conference to be the achievement of 'humanized rationalization' of the factory", demonstrating the centrality of the workplace in these tensions. The second (21st to 31st March 1955) continued to focus on the balance of power in the workplace and rationalisation. Firms and the political institutions of labour disagreed on the sources of low productivity, with the former blaming worker's political power and the latter blaming management and subcontracting (Brennan & Rougier 2009: 104-105). Yet firms and the state were unable, or unwilling, to impose their demands and confront the CGT that represented the bulwark against the re-emergence of a radical working class.

The stalemate of these productivity conferences in 1954 and 1955 marked the failure of Perón to consolidate control over industrial workers. Attempts first to pacify these struggles through wage concessions and then to resolve crises through stabilisation had resulted in a resurgence of workplace conflict. Firms, however, could not force through changes in the workplace whilst the state relied on political institutions of labour responsive to the demands of industrial workers. Moreover, the state could not impose further restrictions on workers without undermining the compromise that had allowed for the imposition of these constraints in the first place. This, then, was a manifestation of unresolved tensions in the trajectory of ISI. As new strategies became favourable to the interests of firms, the resurgence of workplace conflict was met by a sharp increase in political repression and the deepening of discipline within and around the workplace.

Resistance and the Radicalisation of the Trajectory of ISI

This section will explain the radicalisation of workplace conflict. Despite the combative rhetoric and growing instability within the institutions of the state, limited changes were made in strategies aimed at fomenting industrial growth. The most prominent moves, targeting the weakening of the political institutions of labour, the encouragement of foreign investment, and the rationalisation of industrial structures and production processes, had their origins in the final years of Peronism. The most significant change in this period, however, was the transformation in the relationship between the political institutions of labour, the state, and the working class. Attempts by the state to reassert managerial authority after 1955 engendered growing discontent, which increasingly began to exceed the constraints of the political institutions of labour. As a result, deepening political conflicts undermined successive attempts to re-establish control over the working class, which continually confronted the strengthening alliance between the state and foreign firms that was leading the reoriented trajectory of ISI.

Counter-Revolution to the Radicalisation of the Working Class

ISI after 1955 proceeded with a remarkable degree of similarity to the first half of the decade. The relative pace and fluctuating character of growth, as well as the policy measures designed to support it, changed little under the military and civilian governments that succeeded Perón. Stabilisation, rationalisation, and foreign investment remained the main pillars of economic policy. The most significant changes, however, were in the increasingly aggressive attempts to control the working class. Efforts to dismantle the Peronist leadership and replace it with more pliant figures marked an effort to sustain controls that had been developed over previous decades. Attacks on the workplace, however, were a direct attempt to quell the resurgence of the working class that had continued to demonstrate its threat to the strategies of firms and the state.

The “Liberating Revolution” of 1955 made few changes in economic policy. Its most important contribution, the “Prebisch Plan” was a “cosmopolitan developmentalist approach with some classical overtones” that targeted increased agricultural production

and exports to address the stagnation of manufacturing and the indebtedness of state-run enterprises (Sikkink 1991: 78; Belini & Korol 2012: 158). Thus despite the change in political leadership, ISI remained on a relatively similar trajectory. Between 1955 and 1957 manufacturing value-added continued to grow both in absolute terms and as a proportion of GDP (see Table 39). Between 1956 and 1961 this growth averaged annually at around 4.2 per cent, composed of rates of 9.7 per cent in non-traditional sectors and negative rates of -0.2 in traditional sectors (Schiavi 2008: 63). These measures and their effects were a continuation of the earlier liberal turn characterised by an ongoing restructuring of manufacturing in favour of the non-traditional sectors.

Table 39: GDP and Manufacturing Value-Added, Argentina, 1955-1958 (data accessed from MOxLAD Database)

Year	Real GDP (Millions of 1970 Argentine Pesos)	Constant Manufacturing Value-Added (Millions of 1970 Argentine Pesos)	Share of Constant Manufacturing Value-Added to Real GDP (%)
1955	47 881	11 989	25.0
1956	49 212	12 820	26.1
1957	51 761	13 833	26.7
1958	54 920	13 447	24.5

Such continuities were also apparent under Arturo Frondizi (1958-1962). Liberal policies were represented by new foreign investment guidelines, a liberalisation of profit remittances, and reforms to the Industrial Bank that meant it would only provide credit to firms employing over 300 workers (Sikkink 1991: 91-92; Brennan 1994: 37-38; Brennan & Rougier 2009: 110). Stabilisation measures also increased in veracity. Monetary devaluation, liberalisation of foreign exchange rates, restrictions on domestic credit, suppression of price controls, and a reduction in the government deficit were implemented in exchange for significant credit from the IMF. Yet these measures had a relatively limited effect on manufacturing. Although GDP declined by around 6.5 per cent and inflation rose dramatically to 125 per cent in 1959, manufacturing grew consistently in relative and absolute terms between 1958 and 1961 (Belini & Korol 2012: 165-166; see Table 40). This was primarily led by large, mainly foreign, firms that increased from 1 413 establishments in 1954 to 1 645 establishment in 1964, with around 40 per cent of these new entrants being foreign subsidiaries or affiliates

(Schvarzer 1996: 230). These measures, therefore, continued the restructuring of manufacturing around large foreign and domestic firms in non-traditional sectors.

Table 40: GDP and Manufacturing Value-Added, Argentina, 1958-1962 (data accessed from MOxLAD Database)

Year	Real GDP (Millions of 1970 Argentine Pesos)	Constant Manufacturing Value-Added (Millions of 1970 Argentine Pesos)	Share of Constant Manufacturing Value-Added to Real GDP (%)
1958	54 920	13 467	24.5
1959	51 373	13 439	26.2
1960	55 418	14 791	26.7
1961	59 353	16 272	27.4
1962	58 411	15 375	26.3

Growing political tensions in the sector were also consolidated after 1955. In response to earlier mobilisations, the new regime sought to undermine workers' influence through the removal of Peronist leaders, the repression of political organisation within the workplace, and the restructuring of collective bargaining to increase productivity and squeeze wages (James 1988: 54). In 1956, firms were instructed to remove all clauses in contracts preventing productivity increases and internal commissions were either dissolved or appointed by the state in a bid to reassert "the right of managers to manage" (Zarrilli 2004: 116; Belini 2006: 96; Munck *et al* 1987: 150). As a result, whilst there were relative wage increases during this period, these were increasingly the result of bitter negotiations with firms that seized their opportunity to transform the workplace (see Table 41; James 1988: 69). Rather than repress tensions, therefore, the result was growing intransigence on all sides and increasing workplace conflict.

Table 41: Real Industrial Wage Index, Argentina, 1955-1958 (1955 = 100) (adapted from Pinchot 1991: 526)

Year	Industrial Wage Index	Consumer Price Index	Real Industrial Wage Index
1955	100	100	100
1956	114	114	100
1957	152	142	108
1958	209	186	112

Moreover, whilst Peronism was an important idea that gave meaning to these mobilisations, it was not a Peronism envisaged by Perón or the leadership of the political institutions of labour. Instead it was a reinterpretation of its core ideas in the context of the deepening conflicts of the Peronist Resistance.[7] For example, the scale of the general strike between 14th and 17th November 1955 was unprecedented. Absenteeism was 75 per cent across Buenos Aires and 95 per cent in manufacturing (Schneider 2005: 78-79; Gaspari & Panella 2008: 12-13). Strike action soared, with an increasing participation and dramatically rising numbers of work days lost (see Table 42). Most significantly, the impetus for these mobilisations came from the workers themselves, with the internal commissions and workplace delegates giving meaning to their demands and permitting the dissemination of radical ideas. Following the proscription of the CGT, many workers had joined the Communist "Inter-Union Commission" as its membership soared to 2.5 million (Gaspari & Panella 2008: 14; Schneider 2005: 91). The combination of renewed mobilisation and radical political ideas, then, marked an important turning point in the resurgence of workplace conflict.

Table 42: Strikes and Participation, Argentina, 1956-1958 (adapted from Munck et al 1987: 163 & Schneider 2005: 132)

Year	Strikes	Striking Workers	Work Days Lost
1955	21	-	144 120
1956	52	853 994	5 167 294
1957	56	304 209	3 390 509
1958	84	277 381	6 245 286

This resurgence also continued under Frondizi. After 1959, stabilisation measures were most keenly felt in the decline of real wages. Despite a slight recovery between 1960 and 1962, in Buenos Aires they remained well below previous levels (see Table 43). Moreover, efforts were made to purge radical activists and dissolve many of the internal commissions through repression or their co-opting with the promise of "a good redundancy payment" (Munck *et al* 1987: 158). Yet, despite these explicit attacks on

[7] Research by Daniel James (1988) and Alejandro Schneider (2005) offer the two most influential accounts of this period of the "Peronist Resistance", with the former providing important insights into its composition, its links to the exiled leadership of Perón, and the militant clandestine *commando* groups that used increasingly violent tactics against the state. Where the two accounts differ is that James sees the resurgence of the working class as relatively short-lived and quickly contained beneath the reconstitution of the political institutions of labour. Schneider, however, argues that this process marked the reopening of political space for workers. It is the latter argument that is supported in this thesis.

workers and their representatives, internal commissions and workplace delegates remained influential in the workplace, the leadership of the political institutions of labour was still far from reconstituting its control, and there was a clear accumulation of experience and organisation amongst the workers themselves (Schneider 2005: 195). As a result, mobilisation reached an impressive peak in 1959. Despite only 45 recorded strikes, these involved nearly 1.5 million workers and resulted in over 10 million lost work days (see Table 44). Such mobilisations, therefore, demonstrated the depth of opposition from workers and the continuing failure of the state to re-exert control.

Table 43: Real Industrial Wage Index, Argentina, 1958-1962 (1955 = 100) (adapted from Pinchot 1991: 526)

Year	Industrial Wage Index	Consumer Price Index	Real Industrial Wage Index
1958	209	186	112
1959	355	399	89
1960	471	507	93
1961	587	576	102
1962	737	738	100

Table 44: Strikes and Participation, Argentina, 1958-1962 (adapted from Munck et al 1987: 163)

Year	Strikes	Striking Workers	Work Days Lost
1958	84	277 381	6 245 286
1959	45	1 411 062	10 078 138
1960	26	130 044	1 661 519
1961	43	236 462	1 755 170
1962	15	42 386	268 748

Workers after 1959 possessed a renewed degree of political influence, overcoming the previous constraints that had been imposed upon them. The formation of the “62 Organisations” was, initially, enabled by the resurgence of workplace conflicts and, whilst these political institutions represented new limits on the extent of mobilisation, their political influence relied more so than ever upon the continued threat that was posed by the working class (Gaspari & Panella 2008: 26). This became even more pronounced after 1960, despite the decline in strikes. For example, the return to negotiated settlement was only made possible by shared recognition of the level of force demonstrated in earlier mobilisations and a continuing level of protest amongst

industrial workers that was framed around a deep-rooted opposition to firms and the state (Schneider 2005: 151-158). Thus, whilst the political institutions of labour attempted to reconstitute their influence on the back of this threat of force, they could not pacify the working class and, as such, permitted the resurgence of its influence.

Attempts to re-establish discipline and control, therefore, only intensified workplace conflict. Moreover, the explicit assault on the political institutions of labour had inadvertently consolidated the resurgence of workers' political influence. Although this resurgence had led to a reconstitution of the constraints that were imposed by the "62 Organisations", this was on completely different terms to the 1940s. As such, the attempt to construct a trajectory of ISI reliant on stabilisation, rationalisation, and a reorganisation of the workplace was continually undermined by the workplace conflicts these measures engendered. The state, in response, was forced to intensify political repression within and beyond the workplace, as rising tensions were consolidated around renewed efforts to reassert control, the failure to address resurgent working class militancy, and the tensions generated by the restructuring of industrial manufacturing.

The Continuities of Conflict and the Limits of Institutional Constraints

The immediate response to the resurgence of the working class and the political tensions that were created around the trajectory of ISI was an attempt to re-establish economic liberalism and a deepening of political repression. The short-term, but severe impact of these changes led to a rapid reinstatement of familiar policy strategies of direct intervention premised on the expansion of foreign investment. This consolidated the restructuring of the sector, with leading foreign firms in non-traditional sectors increasingly responsible for economic recovery. The impact of this combination of the brief imposition of economic liberalism and the return of expansive strategies encouraging foreign investment produced the longest sustained period of industrial manufacturing growth in this period of ISI. As a result of the character of this recovery, however, workplace conflict across manufacturing became increasingly widespread.

The inability to reassert control over the working class led, under the military-backed government of José María Guido (1962-1963), to an explicit assault on workers. Currency devaluation and orthodox monetary and fiscal policy produced a severe

contraction in domestic demand, a steep decline in economic activity and public works, widespread bankruptcy, and a rise in unemployment to a record 8.8 per cent (Belini & Korol 2012: 169). The electoral victory of Arturo Illia (1963-1966), however, led to a re-establishment of an expansive industrial policy that promoted growth in primary and industrial exports to address the deepening balance of payments crisis (Sikkink 1991: 103; Katz & Kosacoff 1989: 57). After 1964, as a result, ISI entered its most successful phase, including an average 6 per cent annual productivity increase over the next decade (Katz & Kosacoff 1989: 52 & 57; see Table 45). Increasing foreign investment, moreover, produced important changes. Large firms led the resurgence and, although net foreign investment fell, its prominence in leading non-traditional sectors meant that foreign firms stimulated overall recovery in both output and employment (Schvarzer 1996: 255; Belini & Korol 2012: 180-185). The implication of this return to expansion, after several years of stagnation and decline, as such, was a consolidation of these new leading sectors of non-traditional, foreign-controlled industrial manufacturing.

Table 45: GDP and Manufacturing Value-Added, Argentina, 1962-1966 (data accessed from MOxLAD Database)

Year	Real GDP (Millions of 1970 Argentine Pesos)	Constant Manufacturing Value-Added (Millions of 1970 Argentine Pesos)	Share of Constant Manufacturing Value-Added to Real GDP (%)
1962	58 411	15 375	26.3
1963	57 026	14 750	25.9
1964	62 900	17 531	27.8
1965	68 663	19 951	29.1
1966	69 107	20 083	29.1

The tensions this engendered, however, were also consolidated. Whilst real wages remained relatively stable between 1962 and 1966, workers' share of GDP declined. It fell from 47 per cent between 1953 and 1955 to 38.5 per cent between 1959 and 1963 (see Table 46; Belini & Korol 2012: 174). Firms, the state, and, increasingly, the political institutions of labour also continued their attack on the most radical activists within the factories. One illustrative example was in the metalworking firm TAMET where, in November 1963, the firm dismissed 20 leading activists with the implicit support of the national federation (James 1988: 161). Moreover, there were only 15 strikes in 1962 and a maximum in this period of 32 in 1965, with a peak of 235 913

participants in 1966 and a little over 1 million days lost (see Table 47). To explain this decline, it is often claimed that "carefully orchestrated mobilisations replaced the spontaneous energy of the working class" and that the political institutions of labour had reached "the height of [their] power" (Munck *et al* 1987: 162; James 1988: 161-166). Yet, as has been demonstrated, even under the most well-established constraints, workplace conflict remained significant. After 1962, for example, many workers occupied their factories beyond "official" strikes (Schneider 2005: 188-192). By the mid-1960s, therefore, workers continued to confront the strategies of firms and the state.

Table 46: Real Industrial Wage Index, Argentina, 1962-1966 (1955 = 100) (adapted from Pinchot 1991: 526)

Year	Industrial Wage Index	Consumer Price Index	Real Industrial Wage Index
1962	737	738	100
1963	918	915	100
1964	1 252	1 118	112
1965	1 662	1 439	116
1966	2 265	1 899	119

Table 47: Strikes and Participation, Argentina, 1962-1966 (adapted from Munck et al 1987: 163)

Year	Strikes	Striking Workers	Work Days Lost
1962	15	42 386	268 748
1963	20	207 216	812 395
1964	27	144 230	636 302
1965	32	203 596	590 511
1966	27	235 913	1 003 710

One of the most important examples of this continuity was the "Struggle Plan". Coordinated by the Peronist leadership between 1963 and 1965, it comprised hundreds of factory occupations, and involved hundreds of thousands of workers, including important radical political currents (Grau *et al* 2006: 131-148; see Table 48; Basualdo 2010: 116-117). Significantly, it represented a shift in the mobilisation of workplace conflicts. Rather than strengthening the position of the political institutions of labour, it consolidated the resurgence of the working class. New forms of mobilisation, including factory occupations, combined with a growing space for the dissemination of radical political ideas. Thus as the political institutions of labour gradually re-established their

political influence, they facilitated the emergence of a radicalised working class that challenged the constraints these institutions imposed. Firms and the state were, therefore, unable to re-establish control, thereby undermining the developmentalist, "modernising" strategies of stabilisation and rationalisation that were being pursued.

Table 48: Details of the 1964 Struggle Plan, Argentina (Schneider 2005: 106)

Date	Operation	Establishments Occupied	Workers Involved
21/5/64	No. 1	800	500 000
27/5/64	No. 2	1 200	600 000
29/5/64	No. 3	1 100	650 000
2/6/64	No. 4	750	150 000
3/6/64	No. 5 "A"	60	8 000
4/6/64	No. 5 "B"	40	5 000
18/6/64	No. 6	2 950	850 000
24/6/64	No. 7	4 100	1 150 000
Total	**-**	11 000	3 913 000

The "Struggle Plan", therefore, was not the apogee of control exercised through the political institutions of labour. Without pressures emanating from the workplaces of manufacturing, and without persistent tensions created by attempts to reassert discipline and control by firms and the state, there was no imperative to adopt such a radical form of protest. The response of firms and the state, moreover, demonstrates how far these mobilisations were from representing an attempt to pacify workers. The strategies for ISI characterised by limited concessions in wages, expansive growth, and increasing foreign investment failed to impose control over the working class. Moreover, reliance on constraints exercised through the political institutions of labour, which now depended more than ever on the persistent threat of working class mobilisation, also failed. The state, then, resorted to a deepening of repression from beyond the workplace.

The Limits of Repression and Revolution in the Breakdown of ISI

This section will identify the limitations that had been created through the conflicts within ISI, highlighting the important continuities in state strategies aimed at fomenting

industrial growth by exerting control over the working class through institutional constraints, through measures aimed at stabilisation, rationalisation, and foreign investment, and, on regular occasions, through direct political repression. The consolidation of the authoritarian apparatus of the state in 1966 marked the beginning of the apogee of these conflicts between the new coalition of foreign firms and the state and the working class. It was, ostensibly, these most "successful" efforts to engender industrial growth that produced the most violent and widespread conflicts. As the new regime failed to consolidate control over an increasingly militant working class, concessions were made to the political institutions of labour with the aim of reconstituting earlier constraints. The result, then, was the fragmentation of this political subject and the spiral of increasingly violent conflicts that led to the breakdown of ISI.

The Consolidation of Authoritarian Control within ISI

After 1966, in close alliance with foreign firms in the leading industrial sectors, the state squeezed wages, attempted to dismantle the political institutions of labour, repressed autonomous forms of mobilisation, and implemented a harsh plan of stabilisation. The immediate effect was a consolidation of the upsurge in growth, with leading foreign firms benefitting significantly at the expense of smaller firms and workers. However, in the long term, the deepening of discipline within and beyond the workplace led to growing tensions. Wages stagnated, and, most significantly, demands for rising productivity increased. Attacks on the political institutions of labour and the weakening of their ability to address these grievances then created space for the emergence of alternative political institutions. The radical Left and "dissident" Peronism, therefore, took on increasing significance in the continuing resurgence of workplace conflicts.

The "Argentinian Revolution" of 1966 redoubled efforts to supress workplace conflict. Policies targeting inflation were a pretext for squeezing wages, collective agreements were frozen, collective bargaining was suspended, and even the holiday resorts of CGT were confiscated (Munck *et al* 1987: 161; James 1988: 216-217). Repression in the workplace was even more intense, moreover, with workers forced to resist this assault without traditional forms of representation (Schneider 2005: 282-283). Policymakers then used this repression to implement a plan in March 1967 aimed at "eliminating the

drag on capital accumulation, reducing the public spending that led to inflationary pressure, and increasing worker productivity". This imposed a currency devaluation of 40 per cent, liberalised exchange markets, set high taxes for non-industrial exports, decreased tariffs by 50 per cent, froze salaries until December 1968, and imposed strict controls on workplace organisation. It also included a steady increase in public spending relative to state revenues, which had a stabilising effect on the economy and facilitated an overall increase in production (Brennan 1994: 104; Gordillo 1999: 389; Cortés Conde 2009: 236; Katz & Kosacoff 1989: 58). Increased state intervention through public investment, stabilisation measures aimed at inflation, and a suppression of the political institutions of labour characterised the new phase in the trajectory of ISI.

The short to medium-term effect was the continuation of this successful period of ISI. Between 1966 and 1971 manufacturing value-added, both in absolute and relative terms, continued to grow impressively (see Table 49). Overall industrial growth remained at around 7 per cent annually between 1963 and 1974, employment growth was relatively high across industry at around 2 per cent, and worker productivity rose at around 5 per cent. This was led, moreover, by non-traditional sectors that continued to increase their share of industrial GDP (Belini & Korol 2012: 222). As part of the "deepening of the efficiency", tariff reforms had dramatically reduced protection for traditional sectors. Also, rather than provide short-term credit to cover current account deficits, the state focused on long and medium-term loans for importing machinery and equipment, as well as for the installation of new production facilities in non-traditional sectors. Changes in the sector, moreover, were compounded by the growing presence of foreign firms, with their capacity to raise finance internationally and access to technology resulting in "denationalisation" (*ibid*: 223; Katz & Kosacoff 1989: 42). Their presence was supported, however, by large domestic firms in non-traditional sectors, which sought a shift in the "local leadership of manufacturing" (Schvarzer 1996: 272). This was not a transformation enforced by the state, but rather an ongoing restructuring of industrial manufacturing backed by large foreign and domestic firms.

Table 49: GDP and Manufacturing Value-Added, Argentina, 1966-1971 (data accessed from MOxLAD Database)

Year	Real GDP (Millions of 1970 Argentine Pesos)	Constant Manufacturing Value-Added (Millions of 1970 Argentine Pesos)	Share of Constant Manufacturing Value-Added to Real GDP (%)
1966	69 107	20 083	29.1
1967	70 936	20 387	28.7
1968	73 983	21 712	29.3
1969	80 301	24 064	30.0
1970	84 624	25 583	30.2
1971	87 807	28 052	31.9

The downturn in strikes continued, moreover, particularly between 1967 and 1968 (see Table 50). However, whilst the political institutions of labour faltered in the face of the concerted attack, workplace conflict persisted. For example, resistance continued against increasing working hours in the meatpacking plants and rising productivity demands in the automobile sector, demonstrating "the latent existence of a respectable level of organisation and consciousness" (Schneider 2005: 283-285). This was manifested, moreover, in the sudden resurgence of strikes after 1968 as real wages declined and, particularly in the non-traditional sectors, productivity demands increased (see Table 51). For example, whilst the average annual rate of wage increases between 1950 and 1970 in these sectors were at an index of 128 compared to 100 for manufacturing as a whole, productivity increases were at an index of 164 (Munck *et al* 1987: 167). In response, then, workers increasingly confronted firms and the state, particularly as the political institutions of labour could no longer support their demands.

Table 50: Strikes and Participation, Argentina, 1962-1966 (adapted from Munck et al 1987: 163 & 184)

Year	Strikes	Striking Workers	Work Days Lost
1966	27	235 913	1 003 710
1967	6	547	2 702
1968	50	-	-
1969	93	-	-
1970	237	-	-
1971	187	-	-

Table 51: Real Industrial Wage Index, Argentina, 1966-1971 (1955 = 100) (adapted from Pinchot 1991: 526)

Year	Industrial Wage Index	Consumer Price Index	Real Industrial Wage Index
1966	2 265	1 899	119
1967	2 933	2 454	120
1968	3 048	2 851	107
1969	3 352	3 058	109
1970	3 959	3 458	114
1971	5 589	4 694	119

Whilst these grievances had, for a short time at least, been contained within the workplace, they increasingly found expression beyond it. The persistence of internal commissions and workplace delegate committees played a significant role in politicising workers' demands. They were in a position not just to impose the constraints of the political institutions of labour, but, most importantly, they were receptive to the workplace grievances and provided space for radical political activists. So-called "anti-bureaucratic" tendencies grew in prominence, as "combative" currents of the Left played a role that was becoming equally as important as the traditional Peronists. From here, the working class posed a growing threat to the conciliatory leadership of the political institutions of labour and to the ability of firms and the state to exert discipline and control within the workplace (Basualdo 2010: 118-124). Resistance, as a result, gained increasing coherence through engagement with new activists, who gave workplace conflict a significance that transcended the factory walls.

The most important manifestation of these tendencies was the formation of the General Workers' Confederation of Argentinians (CGTA). Founded in 1968, it comprised workers that had been most badly affected by the measures implemented after 1966. Despite being led by Peronists, it acted, in the main, as "a pole of attraction for dissident workers, the increasingly confident student movement, and the left generally" (Munck *et al* 1987: 170). Yet whilst it failed to attract the affiliation of workers in traditionally powerful sectors, it was symbolic of the new forms of workplace conflict (Dawyd 2011: 84-85). It was, however, just one of the increasingly prominent alternatives emerging from under traditional Peronism. Workers began to engage in news forms of organisation within the workplace, with the formation of "resistance committees" or

"strike committees" pushing forward their demands. There was also a growing rejection of the traditional political institutions of labour, with the formation of new institutions as "instruments of alternative and radicalised struggle" (Schneider 2005: 295-296 & 303). Attempts to impose discipline within and beyond the workplace intensified alongside the political tensions they produced. Although the CGTA did not directly represent the most radical branches of the working class, it was a significant, if short-lived, space within which radical opposition to firms and the state came to the fore.

This resurgence culminated between 1969 and 1971 with mass working class mobilisations that challenged the state, firms, and the trajectory of ISI. Significantly, these mobilisations began in those areas least influenced by the constraints of the political institutions of labour. For example, the *cordobazo* and *viborazo*, the two most prominent instances of mobilisation, occurred in and around the city of Córdoba, spreading to other provincial cities and to the suburbs of Buenos Aires. Whilst the immediate impact was local, the implications went far beyond this. Not only did these protests present workers with new strategies of resistance, including legitimising the use of violence, they also increased the significance of the ideas of the Left (Brennan & Gordillo 1994: 490; Schneider 2005: 306-307). As stated by an observer for the AFL-CIO in the aftermath of the *cordobazo*: "many of the young Peronists of the left are not Peronists, but communists taking advantage of the political moment to try and gain supporters" (Boggs 1971 cited in Schneider 2005: 308). Beyond the Cold War rhetoric, the recognition that self-identified "Peronists" were mobilising around radical political ideas illustrated an important shift that was occurring within the working class.

The protests of the *cordobazo* and the *viborazo* were an important turning point in political tensions around ISI. They reflected the persistence of a working class independent of Peronist-dominated political institutions of labour. As such, these mobilisations, which emerged in response to the deepening of discipline, were no longer being led by a leadership committed to collaboration and complicity. Most importantly, they were being consolidated in leading sectors dominated by foreign firms, pointing to the limitations of strategies that for several decades had pursued a strengthening of the relationship between foreign firms and the state. Resolving the inefficiencies that had been created within industrial manufacturing by imposing new forms of discipline in

these new leading sectors had, once again, resulted in failure. As a result, it was in this most successful period of ISI that the conditions for its breakdown were established.

The Failures of State Control and the Violent Breakdown of ISI

The dramatic upsurge in workplace conflict marked the beginning of the end of ISI, opening up a spiral of increasingly violent confrontations throughout the country. This began with the return of Perón and ostensible efforts made to return to "social peace". Attempts, however, to re-establish constraints came up against a working class whose radical autonomy had been reconstituted in direct conflicts with firms and the state. It quickly became clear that the return of Perón was not the victory for workers that had been hoped for. Domestic firms took the initiative in implementing plans that would support their recovery. Yet these measures only increased political tensions and failed on their own terms, leading manufacturing growth to its first decline in almost a decade.

The Grand National Agreement (GAN) of 1971 was an important shift in the strategies of the state. This emphasised efforts to depoliticise and pacify working class struggles using a compromise similar to that established in the mid-1940s and, eventually, with the return of Perón (Munck *et al* 1987: 181). For the political institutions of labour, this was one of their major demands. However, after 1973, Perón sought to sustain the trajectory of ISI he had begun after 1949 and which had been intensified in later decades. Firms pursued offensive strategies against workers, particularly in efforts to increase productivity and limit workplace conflicts (Brennan & Rougier 2009: 151). Moreover, even prior to his return, Perón proposed "absorbing" and "liquidating" some of the militant tendencies within the working class (Schneider 2005: 354). It was the complicity, after 1973, between the state, firms, and the political institutions of labour to pacify and destroy the radicalised working class that determined the breakdown of ISI.

The "Social Pact" was particularly illustrative of this complicity. It combined a commitment to income redistribution, control of inflation through restrictions on capital flight, an increase in state support for housing, employment and education, and an increasingly strident rhetoric against landowners and foreign firms (Sidicaro 2002: 116-117). Industrial policy was formulated, primarily, by the CGE and, in particular, its head José Ber Gelbard, who authored the first "Three Year Plan" or the "Gelbard Plan".

He supported traditional consumer goods production and sought to "deepen" ISI through restrictions on foreign capital, regional development, and the expansion of trade. Credit, moreover, was distributed to firms outside Buenos Aires and to traditional manufacturing sectors (Brennan & Rougier 2009: 160-169; Brennan 2007: 60-61). The effect was mixed. Growth proceeded at a rapid pace, with manufacturing value-added and GDP rising between 1971 and 1974 (see Table 52). However, earlier problems re-emerged. Government deficits, for example, grew from 4.6 per cent of GDP in 1972 to 6.9 per cent in 1973 (Cortés Conde 2009: 250). The prior phase of restructuring had patently failed, generating significant tensions as workers were increasingly squeezed out of any benefits from the relative prosperity generated in non-traditional sectors. This new support for traditional sectors, however, was also a failure as, by 1974, the manufacturing sector went into overall decline for the first time in a decade.

Table 52: GDP and Manufacturing Value-Added, Argentina, 1971-1976 (data accessed from MOxLAD Database)

Year	Real GDP (Millions of 1970 Argentine Pesos)	Constant Manufacturing Value-Added (Millions of 1970 Argentine Pesos)	Share of Constant Manufacturing Value-Added to Real GDP (%)
1971	87 807	28 052	31.9
1972	89 631	29 725	33.2
1973	92 988	31 614	34.0
1974	98 015	33 539	34.2
1975	97 433	32 598	33.4
1976	97 422	31 051	31.9

Alongside these failings, efforts to re-impose constraints on workers also continued. Wages saw a one-off increase, funded by the increases in state spending, followed by a two-year freeze (see Table 53; Brennan & Rougier 2009: 184). This, combined with the increasing influence of the CGT, however, did not produce the desired decline in strikes. Only repression after 1974 was able to, but even this was short-lived (Sidicaro 2002: 153-154; see Table 54). Attempts to pacify workers, then, were continually unsuccessful. The decline in factory occupations following the repressive measures imposed after 1974 was belied by the continuation of radical workplace conflict. Not only was dissident Peronism increasingly imbued with radical meaning, but an alternative political strand known as *clasismo* was consolidated during the 1970s

amongst a growing section of the working class. Significantly, this represented far more than simply a "democratic opening" within the political institutions of labour or a narrow ideological contribution to the contemporary struggles of the workers (Munck *et al* 1987: 191-199; Schneider 2005: 333 & 338). Instead, it marked the culmination of political tensions, the continuing failure of firms and the state to pacify or repress workplace conflict, and the resurgent political influence of the working class.

Table 53: Real Industrial Wage Index, Argentina, 1971-1976 (1955 = 100) (adapted from Pinchot 1991: 526)

Year	Industrial Wage Index	Consumer Price Index	Real Industrial Wage Index
1971	5 589	4 694	119
1972	7 943	7 441	107
1973	13 964	11 927	117
1974	16 291	14 671	111
1975	46 545	41 627	112
1976	144 290	226 382	64

Table 54: Strikes and Factory Occupations, Argentina, 1973-1976 (adapted from Munck et al 1987: 204)

Date	Monthly Average of Strikes	Percentage with Factory Seizures
June 1973 – September 1973	30.5	43
October 1973 – February 1974	30.8	31
March 1974 – June 1974	39.0	19
July 1974 – October 1974	22.5	11
November 1974 – March 1975	11.6	10
April 1975 – June 1975	24.7	4
July 1975 – August 1975	33.0	9
September 1975 – January 1976	31.2	7
February 1976 – March 1976	17.0	-

This influence, however, was continually fragmented. For example, rather than a coherent *clasismo*, workers were mobilising around distinctive *clasismos* shaped by

local contexts (Brennan 1996: 296). On the one hand, this made it particularly responsive to workers' demands as dissident Peronist and *clasista* activists began to overcome certain constraints on mobilisation. Organically linked to struggles in the workplace and shaped by the political ideas of the Left, resistance took on a distinctive and radical character. *Clasismo* and dissident Peronism moved closer together, politicising these struggles and constituting a significant challenge to efforts to pacify the working class. On the other hand, this localism engendered its weakness, with the political institutions of labour becoming the most significant impediment to the formation of coherent political institutions of the working class. Finally, as a result of this fragmentation, these conflicts reached a stalemate only brought to an end by the violent and brutal repression of the 1976 "National Reorganisation Process".

The breakdown of ISI in Argentina was, therefore, the outcome of a spiral into increasingly violent conflicts in the context of a fragmentation of the working class through direct political repression, intensifying discipline within the workplace, and, most significantly, its continual pacification within the political institutions of labour. Workers' mobilisations targeted domestic and foreign firms, the state, and political institutions of labour, whilst the state, firms, and these political institutions of labour supported and directly engaged in efforts to reassert control over the working class. The conflicts this produced were not the inevitable manifestation of any inherent instability in ISI, but rather the outcome of the failure of these strategies aimed at fragmenting and controlling the working class. The threat that workers then posed and the spiral of conflicts these tensions produced led to brutal repression and the breakdown of ISI.

The Failed Fragmentation of Industrial Development

This chapter has demonstrated the significance of persistent and changing efforts led by the state to impose control over the working class and the implications of the conflicts this produced for the trajectory of ISI in Argentina. The Depression consolidated the emerging conflicts within and around an already-established manufacturing sector. Growing tensions engendered by the sector's increasingly rapid expansion culminated

in direct confrontation between workers and the repressive apparatus of the state. These conflicts, however, were increasingly contained within political institutions of labour. Using these institutions, expanding their coverage, and mobilising them to pacify workplace conflicts were a central aspect of strategies throughout the expansion and consolidation of ISI. However, rather than establish a populist coalition riven by tension and against which future political coalitions within the state would come into conflict, the result was a consolidation of deepening political tensions between workers, firms, and the state around an "inefficient" industrial structure. The result was a continuing fluctuation in economic growth, alongside an enhanced capability for restricting the resurgence of workplace conflict. Thus the forms of discipline and control exercised by firms and the state, in alliance with the political institutions of labour, continually fragmented and undermined the potential political influence of the working class.

The significance of the state, therefore, was not its efforts to resolve conflicts, but rather its central role in constituting tensions by adopting strategies to constrain the working class. Typically, the role of the state during this period is understood as characterised by its rapid incoherent expansion, with the politicisation of its policy apparatus leading to a distorted and contradictory trajectory of ISI. However, once the focus is moved beyond the political institutions of the state and conflicts between elites over control of this apparatus, it becomes possible to identify the state's direct role in reproducing and consolidating the deepening political tensions that constituted ISI. The conservative restoration and its attempts to undermine the emergent political institutions of labour, the populist strategies of Perón that sought to incorporate these very same institutions to ameliorate emerging political tensions, the combination of these strategies of direct repression and limited concession that typified the 1950s and 1960s, and the authoritarianism of the post-1966 military government, all emphasised, primarily, control over the working class that it faced. Moreover, the failure of these strategies to adequately undermine the resurgent working class led to its emergence, by the 1970s, as a direct threat, not to stability, but to political control within the workplace and beyond.

The working class in Argentina, despite its ostensible institutional strength, had a far more limited influence than it Chilean counterpart. Most importantly, it was the relative coherence of the political institutions of labour that restricted the possibility for the consolidation of a political subject capable of challenging the discipline and control

exercised by firms and the state. On the one hand, these institutions were vital in restricting the capability of workers to contest the strategies of firms and the state. On the other hand, the capability to impose such restrictions was the result of the potential threat posed by workers themselves. These institutions did not simply act to constrain the working class, but also offered important institutional space for the politicisation of their struggles. This was most clearly manifested in the changes to Peronism, particularly and the role it played in mobilisations against state repression after 1955. This was combined with the role played by radical political ideas, which, by the 1960s and 1970s, had an important influence over the period's most significant mobilisations. The political autonomy of the working class beyond the political institutions of labour, therefore, played an important role in determining the possibilities of workers' political influence. As such, it is necessary to look deeper at the engagement between work, resistance, and subjectivity in the workplaces of two of the leading sectors of industrial manufacturing in Argentina: the metalworking and automobile sectors.

The Politics of Production in Textiles, Metalworking, and Automobiles

Chapter 4

Consolidating the Double Crisis in Chilean Textile Production

From each of the perspectives outlined previously – institutions, ideas, and class – the textile sector in Chile exemplified experiences of the emergence and consolidation of ISI. First, it emerged as an autonomous "engine of growth" protected by non-systematic tariffs and subsidies and consolidated around a series of "protected inefficiencies" (Palma 2000a; Ffrench-Davis *et al* 2000). Second, it was one of the main beneficiaries of the "ideology of industrialisation" from the end of the 1930s and one of the most dramatic sites of conflict over measures targeting redistribution (Silva 2008; Hira 1998). Third, it was subject to the whims of imperialism and external dependency and to the establishment of domestic monopolies that shaped the political agenda and real-term distribution of gains from industrial growth (Cardoso & Faletto 1979; Stallings 1978). This chapter argues, however, that these key features of Chilean textile production were constituted by workplace conflict, with important implications for inefficiencies in production, expanded state protection, limits on redistribution, and the growing ideological significance of domestic monopoly, imperialism, and dependency.

There have been relatively few systematic studies of this sector during these decades, and even fewer that have explicitly considered the significance of workplace conflict. This chapter, therefore, makes extensive use of industry journals and workers' newspapers. Industry journals, such as *Chile Textil,* provide detailed accounts of firms' concerns over managerial control, over the introduction of new technologies and work processes, and the importance of securing favourable policy measures from the state. Workers' newspapers, such as *Obrero Textil*, *Tribuna Textil*, and *Unidad Textil*, offer workers' perspectives on the changes being imposed upon them. Moreover, they

provide insights into the constitution of workers' subjectivities, detailing not only the cause and consequence of particular strikes and protests, but also the meanings that were ascribed to them. Important secondary source material includes the empirical research on the sector produced by Frias *et al* (1987a, 1987b), the thesis by Toledo Obando (1948), the study conducted by CEPAL (1962), and the historical anthropology of Winn (1986). Each of these sources provides important empirical material used in this chapter to explain the significance of changes within and around the workplace.

Using this material, I will show how the working class confronted old forms of strict paternalistic control, persistent political limits on workers' political organisation, and the attempted reorganisation of the workplace to resolve crises through locally-specific forms of disciplinary modernisation. These three strategies pursued by firms and the state were attempts to exert control over militant workers who continually mobilised around radical political ideas and whose political subjectivities continued to be constituted around distinctive forms of Chilean socialism. The ideas disseminated by activists from the PC, which held a central role in the fragmented political institutions of labour representing textile workers, were, moreover, continually reconstituted in these struggles. The combination of conflict and radical subjectivity, therefore, consolidated a working class political subject with an influence that belied its limited institutional representation and against which textile firms and the state were continually forced to reorient their strategies. Workplace conflict, I will demonstrate in this chapter, determined the rise and decline of traditional forms of production, the consolidation of a double crisis in the sector, attempts to establish disciplinary modernisation aimed at resolving this crisis, and the consolidation of a militant and autonomous working class.

Textile Production and the Emergence of Workplace Conflict

This section will identify the important facets of the sector's early establishment and its growth and expansion after the Depression. As the sector grew from its relatively modest foundations, and as increasing numbers of workers were incorporated into the strict workplace control that was established, a series of strikes and protests occurred

that represented the first sustained challenge to textile firms. Incidents of workplace resistance intersected with the increasingly radicalised political ideas of the time, which were disseminated, in particular, by the PC activists who played an early and highly significant role in organising workers in the sector. The politicisation of resistance to the harsh managerial authority exercised within the workplace led to wider mobilisation, preventing any attempt to return to the earlier conservative trajectory. As a result, steadily rising wages, an increasing role for the state, and limited forms of political organisation were established by the end of this initial phase of rapid growth.

The Emergence and Consolidation of Textile Manufacturing

The textile sector in Chile was not created in the aftermath of the Depression. Instead, it can be traced back to the middle of the nineteenth century and a few large factories, linked primarily to the needs of the burgeoning export sectors. Two important external events then stimulated its renewed growth in the early decades of the twentieth century. First, the First World War closed off international trade and led to a rapid, but short-lived, surge. Second, the Depression provided an even more decisive closing off of international trade that allowed domestic firms to consolidate their position in a way that had been blocked by the earlier recovery of international trade in the 1920s. However, this "natural" process of growth was only possible with the support provided by the state. As a result, firms reproduced many of their "inefficient" traits of low-scale and outdated technology that had stymied their earlier growth. The nexus between these traditional production and industrial structures and state protection is the archetype around which ISI has been understood. Yet whilst the implications of these strategies for international competitiveness are continually condemned, their effects upon the workplace and the prevailing relations in production are rarely considered.

The earliest records of the textile industry date back to the mid-nineteenth century, with plants both inside and outside Santiago. Early examples include El Salto in Santiago, founded in 1850, and Paños de Bellavista in Tomé to the south of the capital (Toledo Obando 1948: 41). These factories were part of a small but growing sector that focused primarily on the production of simple consumer goods. By 1878 there were eight factories employing 448 people: two cotton weaving establishments, one wool weaving,

one producing rope and twine, and four manufacturing sacks (Frias *et al* 1987a: 21-22). The relatively small scale of the sector and its production priorities – sacks, rope and twine, and weaving – show that it was primarily geared towards supporting other sectors producing for export. This is also shown by the fact that most of these establishments tended to be based in port cities, like Tomé, outside the consumer heartland of Santiago. Moreover, whilst the First World War provided an important boost to the textile industry, its effects were short-lived. Factories with their outdated technology simply could not compete and were quickly undermined at the end of the war by foreign trade and the "dumping" that drove local producers out of the market (Toledo Obando 1948: 41-42). This relative uncompetitiveness, as a result, meant that growth in the sector prior to 1930 remained limited to just a few remaining factories.

After 1930, but prior to the direct state support that typified ISI, the textile sector experienced rapidly expanding production that exceeded the growth of manufacturing as a whole. Bucking the general trend of non-durable consumer goods, which were not growing at the same rate as durable, intermediate or capital goods, textiles rose from 6 per cent to 13.7 per cent of manufacturing production between 1929 and 1935, with the locally produced share of total supply rising from 30 per cent to 77 per cent in the same period (Palma 2000a: 60-62). This remarkable growth was directly linked to the import of new technologies, the expansion of the internal market, and, later, the immigration of technicians and businessmen (Frias *et al* 1987a: 23-25). In terms of the workplace, moreover, these changes had a dramatic effect. The sector was divided between two main types of production establishments: the large modern factory and the small workshop usually located in family homes or in the back of commercial premises (Toledo Obando 1948: 47). Large factories already possessed relatively advanced industrial technology and workplace organisation, whilst smaller firms, which in the 1920s worked with very antiquated machinery, were, in this context of rapidly rising growth, able to accrue substantial profits and also acquire relatively new equipment (*ibid*: 43). Despite this, however, work remained characterised by labour-intensive processes, with the introduction of more capital-intensive production appearing only after the 1940s (Frias *et al* 1987b: 24; Toledo Obando 1948: 9). The growth of this leading sector, therefore, relied upon modern, but inefficient, relations in production.

Most importantly, it meant that control in the workplace was organised through the imposition of strict managerial authority. The behaviour and attitudes of the new owners, the "turcos" as they were referred to in the workers' press, is specifically noted in complaints against employers (*Obrero Textil* 04/10/36, 1:2: 1). This new *patrón* became increasingly common during this period, installing and controlling some of the most important textile factories. The most famous was Juan Yarur, who first came to Chile from Peru in 1933 at the invitation of the government of Arturo Alessandri and opened his first factory in 1937 (Winn 1986: 16). Other major firms, moreover, such as Hirmas, Said, and Sumar, also reflected the growing prominence of these recent migrants. They had come to Chile during the 1930s and, by the end of the decade controlled a significant proportion of the textile sector. Primarily focusing their interests in cotton weaving, they brought advanced technology along with strict paternalist management techniques and a disdain for unionisation (*ibid*: 31-37). Workers, therefore, were incorporated into new workplaces characterised by strict managerial authority, harsh labour-intensive production processes, and limits on political representation.

The changes wrought to the textile sector during the 1930s, therefore, were most significant within the workplace. New, large-scale establishments, linked not simply to the vicissitudes of domestic exports or world market contractions, predominated in leading sectors such as cotton and silk. However, it was in the newly established factories of cotton weaving where the most significant innovations emerged. With the direct support of the conservative government of Arturo Alessandri, these factories exemplified the strict paternalistic control that was combined with new imported technology. At the largest firms like Yarur this was particularly apparent. As will be shown, moreover, in silk weaving and in some older establishments, attempts were also made to impose these paternalistic managerial practices, but with far less tangible success. Managers and foremen became the source of grievances in the workplace as firms demanded increasing output for little tangible gains in wages, working conditions, or political organisation. The rapid expansion of production that the sector experienced was, therefore, achieved primarily through the continual enforcement of managerial authority within the workplace, making the textile sector a locus of workplace conflict.

The First Textile Workers' Revolt and the End of Conservative Restoration

Workplace grievances, centred upon the symbolic figure of the *patrón*, increased exponentially around the rapidly expanding textile sector. Conflicts in these factories initially incorporated only a small proportion of workers, but they were typified by a high degree of radicalised militancy. This radical conflict continued throughout the 1930s, despite the concerted efforts to control these workplaces. Workers in the silk weaving sector, organised by the PC, but demonstrating a significant degree of autonomy, initially came to the forefront in resisting the strategies of firms and the state. Their resistance to the increasingly strict forms of managerial authority were politicised around prominent radical ideas, linking their workplace experiences to the role of the state and to the limits on their political representation. As a result, workers in these relatively marginal sectors, rather than those in the new leading sectors of cotton weaving, came to the fore in confronting workplace control, the increasing demands of rising production output, and the skewed distribution of its gains.

Despite rapid growth and recovery in the early and mid-1930s, textile workers continued to receive persistently low wages. For example, the rising cost of foodstuffs relative to wages became a particular concern (*Obrero Textil* 27/10/36, 1:3: 3). However, it was the attempts to exert control in workplace that were at the forefront of ongoing grievances. For example, one former worker at the La Continental silk factory writes at length of her experiences as "an ex-victim" as she observed "owners passing by, watch in hand, monitoring the labour of the female workers, summoning them as he pleased and applying arbitrary fines with each step" (*Obrero Textil* 04/10/36, 1:2: 2). Such practices provide an insight into work in the sector. Although the author stresses the unique nature of employer abuses at the plant, the relatively lax enforcement of labour laws, repressive political climate under Alessandri, and weak unionisation all allowed employers to exercise strict discipline over the workers and maintain these abusive practices (Garcés 1985: 43-47; Roddick 1989: 205-206). Workers' grievances, therefore, were explicitly targeted at the *patrón* as it was he who most clearly manifested the discipline and control that was being imposed in the workplace.

As a result of these tensions within and around the growing sector of textile production, mobilisation and protest became increasingly widespread. The 1930s were a

transformative period for workers' struggles in the textile sector (Frias *et al* 1987b: 23). For example, workers in the silk weaving sector not only managed to obtain significant victories against employers through strikes and other forms of political action, but they also came to form a "vanguard" around which workers from across the textile industry could mobilise and organise (*ibid*: 25). Successes such as the establishment of unions at larger factories including El Salto, Lourdes and Sedería Chile were highly significant in securing increasing levels of representation that were continually denied by labour legislation and textile firms (*Obrero Textil* 04/12/36, 1:4: 1). Moreover, this also represented the latent solidarity of workers across the sector and extended the scope for further struggles (*Obrero Textil* 15/09/36, 1:1: 1). Workers were generating radical changes in the textile sector, pressing their demands with increasing vigour and demonstrating the limits of the rapid growth that relied on strict paternalistic control.

In particular, textile workers demanded expanded political representation and the implementation of the new legal provisions that would offer a vital institutional tool for resolving conflicts in their favour. For example, following the failure of negotiations, calls were made for the Inspector General of Labour to ensure the honouring of agreements to redress the demands of silk weavers (*Obrero Textil* 03/04/37, 1:7: 1). Abuses at the Sedería Chile, moreover, were described as being in direct contravention of rules set out by the Labour Inspectorate, enabling calls for legitimate legal redress (*Obrero Textil* 04/12/36, 1:4: 3). Also, in justifying large scale strike action at two large factories, El Salto and Lourdes, there is a strong sense that it was the workers who were acting in defence of the law as "all of us that work in the textile industry know that day by day [employers] demand more and pay less. We know how they laugh at social legislation and make a mockery of the Labour Code" (*Obrero Textil* 04/04/37, 1:8: 1). Demands for the extension of political representation, therefore, represented a clear attempt to mobilise available measures to redress the imbalance within the workplace.

Moreover, this focus on the institutional means to confront employers was imbued with radical meanings derived from the ideas and activists, particularly those of the PC, who played a central role in the nascent forms of political organisation in the sector. Radical ideas and interpretations of their plight prevailed throughout the contemporary workers' press. For example, the everyday conditions faced by workers were described in withering terms: "we are worse than malnourished slaves and forced to go on with such

a miserable life" (*Obrero Textil* 04/12/36, 1:4: 2). Also, the disciplinary practices within the workplaces of Yarur, La Continental, and other large textile factories were described in terms: "as if obeying a 'Franco' of the textile industry, employers have begun a vigorous offensive against their workers with the objective of killing off all just initiatives for economic improvement" (*Obrero Textil* 04/08/37, 1:10: 1). Such references comparing the imposition of workplace control to the Spanish fascist leader offer important insights, then, into the radical politicisation of these workplace conflicts.

This radical politicisation culminated in the outburst of working class mobilisation between 1936 and 1938. Workers continued to confront the practices of firms and the terms under which the rapid growth in the sector was occurring. At the Sedatex and Kaitan factories, for example, they mobilised to challenge employers' attempts to impose 25 per cent wage reductions, a strategy that was typical of factory owners at the time (*Obrero Textil* 03/04/37, 1:7: 2). At El Salto and Lourdes, moreover, a series of long strikes contested endemic low wages and worsening working conditions. A strike in 1934 lasting 43 days was only halted by police repression, whilst another lasting 21 days in 1935 resulted in significant pay increases. In one particularly confrontational dispute in 1937, a petition to management for higher wages and better conditions by spinners at Lourdes, who were amongst the most poorly paid and who worked in the most unhygienic conditions in the factory, led to all 37 workers on the shift being dismissed. In response, over 1 000 men and women at Lourdes and El Salto came out in an indefinite strike to demand the rehiring of the dismissed workers and wages improvements (*Obrero Textil* 04/04/37, 1:8: 3). Workers in the textile sector, therefore, increasingly posed a challenge to the conditions of low wages, poor working conditions, and strict managerial authority upon which the growth of the sector relied. Most importantly, these protests were posing a threat that was only suppressed through either overt political violence from the state or the granting of significant concessions.

The establishment of the National Federation of Textile and Clothing Workers (FENATEX) in 1938 was the most visible outcome of this growing working class militancy in the textile sector. In the words of its former president, FENATEX was "constituted in the heat of political struggle… [with] unions from Santiago, Valparaíso and Concepción and the Cleaning and Clothing Federations participating… to unify their struggle around common problems" (Fernando Bombilla cited in Frias *et al* 1987b:

27). The significance of this new federation, moreover, was its organic link to increasing workplace conflict. Efforts to organise workers and obtain legal recognition of their political institutions were persistent features of earlier struggles. Therefore, FENATEX, formed in the context of deepening and increasingly radical opposition to firms and the state, represented the growing political influence of workers in this leading sector. Most importantly, its emergence contributed to a significant transformation of ISI that followed the electoral victory of the Popular Front in 1938.

As workers in the textile sector confronted the limits on what could be achieved by the conservative restoration and the strengthening of managerial authority in the workplace, their struggles enabled the establishment of a potentially progressive transformation in ISI. Workplace conflict engendered the emergence of a radicalised political institution of labour with unprecedented influence, FENATEX, which was linked to the struggles of textile workers, to the CTCH and the broader efforts to establish national labour federations, to the PC activists that had politicised these workplace struggles, and to the progressive coalition of the Popular Front that would come to power in 1938. In confronting strategies of firms and the state, therefore, textile workers had engendered imperatives that produced a progressive trajectory of ISI that sought to increase the role of the state in domestic manufacturing and to support workers' political organisation.

Consolidating Expansion and Working Class Struggle

This section will explore the phase of ISI in which earlier workers' mobilisations were increasingly constrained beneath the short-lived populist coalition between the state and the political institutions of labour and in which policies most explicitly supporting the textile sector's emergence were implemented. Persistent low demand and worker militancy were partially resolved through the establishment of institutionalised wage bargaining and the more thorough enforcement of prevailing labour legislation, enabling increased production and expanded technological investment. Yet the partial nature of this resolution exacerbated the stagnation that became central to this consolidation. In response, firms sought to shift the burden of resolving this emergent double crisis onto

workers, only worsening it in the process. Squeezes on wages and attempts to consolidate control within the workplace intensified tensions and led to an upsurge in workplace conflict, which, in turn, resulted in new strategies being pursued by firms whereby they attempted to impose distinctive forms of disciplinary modernisation.

Popular Consolidation and the Emergence of Disciplinary Modernisation

Two phases can be identified in the consolidation of the textile sector. The first, following the electoral victory of the Popular Front, saw high rates of aggregate growth and focused on consolidating the industrial structure. The most significant measure aimed at fomenting further rapid growth and technological upgrading was the establishment of CORFO, which supported, in particular, imports of intermediate and capital goods and imposed restrictions on consumer goods imports. The second phase focused primarily on production structure and a substantial reorganisation of the workplace around new machinery and "rationalisation". This was a distinctive form of disciplinary modernisation, in which earlier concerns with extensive growth were replaced by imposing new forms of control. To achieve this, the strategies of firms and the state took on an increasingly confrontational position towards workers, explicitly seeking to exert discipline in the workplace through the production process.

After 1938, extended state support for industrial manufacturing consolidated the emergence of textile production as a leading sector of manufacturing. CORFO was integral, particularly supporting the growth in high value artificial fabrics. Textiles were one of the four sectors identified as being likely to benefit from import substitution and were central to its annual "Industrial Development Plans". In 1939 CORFO provided funds and credit equal to that provided to the metalworking sector and increased limits on imports. Between 1940 and 1943 the agency went one step further and, rather than supporting pre-existing production, directly encouraged improvements in quality and the establishment of new firms. These new firms included Hilanderías Rudolff, Sociedad Lavedad de Lanas, Talleres Minerva, Sociedad Serícola Ltda, and Hilandería de Lino La Unión, whilst Said e Hijos received direct support for machinery imports (Ortega *et al*: 91-94; Toledo Obando 1948: 61-62). As a result, textile imports fell dramatically from a value of CH$326 300 million pesos in 1929 to only CH$86 300

million pesos in 1942 as they were replaced by products from the growing number of domestic producers (Vitale 2011: 544). Direct state support, therefore, consolidated the earlier growth within the textile sector, making it one of the leading sectors of ISI.

Growth and restructuring in the textile sector was particularly significant during the first half of the 1940s. By 1944, textiles had become the second largest manufacturing sector behind foodstuffs in terms of total value of production, with all branches seeing substantial increases (Toledo Obando 1948: 51; see Table 55). Modern sectors in cotton weaving and artificial fabrics, in particular, benefitted from the support provided by CORFO. For example, between 1941 and 1946, Yarur registered profits of CH$230 million pesos and, by 1950, controlled over 65 per cent of all textile production alongside Caupolican Chiguayante (Vitale 2011: 545). However, important problems in the sector also emerged at this time. Low growth in clothing production and the failure to stimulate exports limited demand, whilst under-utilisation of installed capacity limited output (Frias *et al* 1987a: 25; CEPAL 1962: 35). Moreover, whilst aggregate real wages did increase relative to firms' profits, increasing employment levels meant that workers' real incomes did not rise at the same rate as overall average incomes (see Table 56; Vitale 2011: 547). Low levels of purchasing power amongst workers, the main market for basic consumer goods, thus meant domestic demand was restricted regardless of state-supported investment in advanced technology or new establishments.

Table 55: Textile Production Growth, Chile, 1941-1950 (Vitale 2011: 544)

Branch of Production	Total Output 1941 (metres)	Total Output 1950 (metres)
Cotton Spinning and Weaving	30 399 691	69 690 938
Artificial Silk Fabrics	804 934	6 826 815
Cloth and Spun Wool	4 465 909	7 688 424

Table 56: Real Wages and Profits in the Textile Sector, Chile, 1940-1950 (Mamalakis 1978: 215-218 & 235-238)

Year	Aggregate Real Wages (Millions of 1940 Chilean Pesos) (1)	Aggregate Real Profits (Millions of 1940 Chilean Pesos) (2)	(2):(1)
1940	76.0	42.8	0.56
1941	88.8	81.2	0.91
1942	102.2	58.1	0.57
1943	101.2	79.4	0.78

1944	116.8	80.9	0.69
1945	140.4	93.1	0.66
1946	142.2	77.7	0.54
1947	164.9	102.7	0.62
1948	196.8	153.8	0.78
1949	216.2	87.3	0.40
1950	234.3	86.4	0.37

Therefore, it was this continuing prominence of low wage, labour intensive production that placed limits on the further growth of textile production. Large plants such as Yarur continued to hire workers who had recently moved to the cities from the countryside and women, who came to make up the majority of the workforce and received 30 per cent lower wages than their male counterparts (Salazar & Pinto 2010a: 178). To offset the emerging limits constituted by this low domestic demand, firms sought to deepen workplace control. Pamphlets for workers at two small textile firms, for example, illustrate the strict managerial authority that was enforced. For example, there were limits on movement, including "conversations that prejudice the complete development of the working day", instructions for workplace conduct open to broad interpretation, including "good conduct, order and discipline", limits on any "societal, social, or political activities", and a prohibition on leaving the workplace "for whatever reason" (Mazzei y Piovano Ltda 1941: 6-8; Visonet Ltda 1942: 7-8). The enforcement of this managerial authority, therefore, represented an attempt by firms to resolve the emergent double crisis by further restricting workers' influence within the workplace.

These measures to exert control within the workplace, moreover, were supported by two important pieces of legislation that were passed following the breakdown of the Popular Front. Decree 952 from the Ministry of the Economy and Commerce prohibited the import of all items that could be produced at equal or higher quality in Chile, which effectively removed foreign competition for textiles and, with the foreign exchange savings it permitted, allowed the purchase of primary materials and low cost imported machinery, the latter of which was, in turn, permitted by Law 8732 from the National Council for External Trade (Toledo Obando 1948: 59 & 71-74). Textile firms, therefore, were able to focus their attention on importing advanced technology for their establishments to replace labour intensive production processes, to enforce new forms of discipline, and to displace the low-skilled workers at the heart of earlier conflicts.

This replacement of workers with machinery resulted in the growing automation of the industry during the 1940s. New machinery was increasingly common, particularly in the cotton weaving sector, which was comprised by the late 1940s of the largest firms in the sector. Nevertheless, the importance of automated machinery in everything from sock making to twine illustrates the increased automation underway in the textile sector as a whole (CEPAL 1962: 4-5; see Table 57). Moreover, the advantages of automated production are clearly stated in the industry journal, *Chile Textil*. Automation would allow workers to attend "multiple looms", reducing the need for labour, increase productivity, leading to "higher daily wage… without the need to raise production costs", and, most significantly, ensure "absolute scientific control of production… as the operator knows exactly how much production amounts to each period" (*Chile Textil* 07/47, 36: 13). These concerns demonstrate the motivations behind the import of advanced machinery, with firms seeking to address the emergent double crisis by introducing technology that would increase production and discipline the workplace.

Table 57: Automated and Manual Spindles and Looms, Chile, 1947 (adapted from *Chile Textil* 09/47, 38: 7)

Spindles in Textile Spinning	
Total	109 447
Manual Looms in Textile Weaving	
Cotton	1636
Silk	1315
Knitwear	402
Woven Fabrics	53
Woollen Fabrics	1061
Automated Looms in Textile Weaving	
Cotton	1370
Silk	99
Knitwear	10
Sock makers	1187
Twine	47
Braiding	16

New forms of workplace discipline, moreover, were an important concern for smaller firms where machinery, primary material and labour costs were the same, but profits were typically lower. The main problem, according to *Chile Textil*, was the combination of these factors and the need for the rational organisation of the workplace:

> "it is a known fact that the majority of large factories use the services of 'Rationalisers' in their most complete form. It is known, moreover, that 'Rationalisation' results in a very useful tool for management… many factories, large and small, are run by Directors that practice more art than science, and that act in agreement with their personal ideas. If these Directors could base their decisions and projects on real and exact data supplied by a 'Department of Rationalisation' their future success, rather than depending on assumptions and 'hunches', would be practically assured" (*Chile Textil* 04/51, 81: 8-9)

By the beginning of the 1950s, therefore, the strict control imposed by the *patrón* was being replaced in the workplace by these imperatives of disciplinary modernisation. The main priority in the textile sector, as such, was shifting towards the imposition of new forms of workplace organisation and relations in production premised on the import of modern machinery and the widespread adoption of "rationalisation".

This initial consolidation of ISI, first around expansive policy supports from CORFO and later around disciplinary modernisation, produced a distinctive double crisis. On the one hand, a relatively coherent industrial structure had been established between firms with access to modern technology and credit. On the other hand, efforts to exert control in the workplace through traditional paternalist techniques and new forms of discipline served only to exacerbate the tensions firms sought to repress. The double crisis that was facing the Chilean textile sector, therefore, belies the ascription of such tensions to the oft-cited exhaustion of the easy phase of ISI. Instead, it was firms' efforts to resolve the problems of workers militancy through new forms of workplace discipline that consolidated a new locus of conflict within the social spaces of textile production.

Pacification of Labour and the Backlash of the Working Class

Two concomitant phases for workers can also be identified in this consolidation of the textile sector. The first saw the establishment of important political institutions of labour. These provided workers with a powerful voice, allowing mobilisations to extend far beyond the individual workplaces and imbuing them with the distinct meanings of Chilean socialism, but also marking a shift away from earlier worker militancy. However, in the second phase, workers demonstrated the limits of the constraints inadvertently imposed by these political institutions. Two important factors enabled this resurgence. First, the radical political ideas that continued to circulate sustained the wider meanings of this conflict. The ideas disseminated by the PC gave meaning to continual resistance against the *patrón* and disciplinary modernisation. Second, the

growing prominence of workplace conflicts in the cotton weaving factories reflected the changing experiences of work that had begun to emerge. These firms were leading growth and transforming workplace conflict and the working class in the textile sector.

In the late 1930s and early 1940s, workers achieved important material and organisational gains as a vital pillar of the Popular Front. CEPAL (1962: 9), for example, stated that it was "natural" that the textile sector would experience an accelerated period of growth as it satisfied the basic needs of the "popular masses". However, the growth of demand to support this expansion was far from natural. Wage increases were part of a deliberate effort to resolve growing workplace conflict (see Table 56). FENATEX, moreover, represented the rise of a "new unionism" in which relatively spontaneous and isolated strike actions were displaced by organised negotiation through institutional channels in line with enforceable labour laws (Pizarro 1986: 104-105). The federation was linked to the political currents in the Popular Front, but with the PC at the fore. However, there were limited internal struggles and so a relatively peaceful relationship between leaders persisted (Frias *et al* 1987b: 33). The result, as such, was an organisation that could mediate the militant radicalism of worker's mobilisations, but also politicise it further around the prevailing radical ideas.

Alongside FENATEX, political institutions of labour in large factories were also established during this period. As a result, workers in these firms came to be represented by institutions that followed their own independent trajectories (Frias *et al* 1987b: 26 & 28). Rather than being based in a federation headquarters distant from the factory and representing the relatively diverse interests of workers across the sector, these political institutions could directly engage with the workers they represented. Moreover, workers in large plants tended to retain earlier socialist political ideas (*ibid*: 22). However, the influence of these political institutions was continually stymied. At Yarur, for example, despite establishing an independent leadership in 1939 and 1946, intransigence from management meant attempts to secure state mediation resulted in partial victories and its presence was short-lived (Winn 1986: 40-41). Textile workers in these firms, despite facing such limitations on their institutional representation, retained an important degree of political autonomy in opposing disciplinary modernisation.

The failure to pacify workers within the sector, despite the establishment of increasingly prominent political institutions of labour and some relative wage increases, meant disciplinary modernisation was met by this working class. Textile workers' mobilisations had come a long way from the relatively sporadic strike actions that characterised their struggles during the 1930s. Political institutions represented their interests in the most prominent large factories, whilst FENATEX mediated their conflicts in conjunction with a sympathetic state. In the silk weaving sector, the heart of earlier conflicts, workers spent 42 days on strike from 3rd November 1946 and achieved significant concessions. Many of these, however, were not implemented by factory owners, who instead sabotaged production to keep prices and profits high, whilst forcing workers to work longer hours and under-utilising installed capacity (*Tribuna Textil* 01/11/47, 1:1: 3). Moreover, at Sedylan workers protested against the detention of their union leader and attempts to lower wages. In response, factory owners called in the military to occupy the workplace and intimidate protesting workers (*Tribuna Textil* 04/51, 2:3: 8). The limits of imposing disciplinary modernisation, therefore, were continually emphasised in this burgeoning confrontation from within the workplace.

After 1946, moreover, this confrontation took on greater meaning for strategies of firms and the state in the textile sector. It was increasingly targeted at government intransigence and the emergent alliance between firms and the state. For example, an article discussing successes in meeting workers' demands at the Kalin Kattán factory described how government officials were engaged in "word games" to avoid enforcing legitimate demands (*Tribuna Textil* 02/48, 1:8: 3). These demands, moreover, were concretely targeted at the organisation of work. One prominent campaign stemmed from an agreement reached at the 2nd Textile Workers Congress for the pursuit of a 40 hour week. It was argued that cuts to the working week were not opposed to the rising production requirements of the industry, but rather that workers engaged in the more modern 40 hour working week would contribute to rising productivity (*Tribuna Textil* 15/11/47, 1:3: 3). The idea that improved working conditions were crucial to advancing the economy, as such, highlighted the opposition to the efforts of firms to resolve the deepening double crisis against the increasingly well-organised working class.

This opposition to disciplinary modernisation was manifested, moreover, by the shift in the locus of these conflicts to cotton weaving. New managerial techniques, combined

with the prominence of organisation in large firms, meant that it was the cotton, rather than silk, sector that was at the fore of these new workplace conflicts. Strikes at Kallin Kattán, Dunay, Moises Yuni, Subelman y Fliman, Comandari, and Hilandería Nacional responded to attacks on working conditions, wages, and new forms of political organisation, with solidarity funds supporting their continuation beyond what was possible in previous decades (*Tribuna Textil* 15/11/47, 1:3: 1; *Tribuna Textil* 28/11/47, 1:4: 1; *Tribuna Textil* 11/48, 1:13: 1; *Tribuna Textil* 01/51, 2:2: 4; *Tribuna Textil* 06/51, 2:5: 8). Meanwhile, workers at Textil Progreso succeeded in extracting concessions following a 22 day strike, including a minimum daily wage for workers (*Tribuna Textil* 07/11/47, 1:2: 4). Attempted repression and continuing protest resulted in employers being forced to meet pay deals and rehire fired protesters (*Tribuna Textil* 12/47, 1:6: 2; *Tribuna Textil* 01/48, 1:7: 2; *Tribuna Textil* 02/48, 1:8: 2). Moreover, at Sumar, increasing tensions over the failure of firms to implement agreements over pay and working time led to persistent protest into the 1950s (*Tribuna Textil* 01/51, 2:2: 4). The resurgence of workplace conflict and its relocation to the leading cotton weaving sector, therefore, highlighted the impact of new relations in production that were constituting shared experience within this leading sector in the consolidation of a working class.

The character of growth and development in the sector and the deepening attempts to impose disciplinary modernisation, moreover, allowed these protests to be imbued with a radical meaning. The continuing militancy of the working class was at the forefront of ideas shaping their mobilisations. For example, the workers' press praised the "ardent combative spirit of workers, united in the discipline and enthusiasm shown in these heights of conflict" (*Tribuna Textil* 11/48, 1:13: 1). Anti-imperialist and nationalist ideas also re-emerged as central to the political meanings ascribed to these movements. An increasing concern with the "Yankee imperialism" was prominent in the workers' press at the time, as well as with the dominance of monopolies (*Tribuna Textil* 06/51, 2:5: 3; *Tribuna Textil* 05/51, 2:4: 2). For example, the role of American technical advisors attempting to transform the sector as an "experiment", implementing rationalisation plans that would lead to the firing of dozens of workers in a single factory, was condemned (*Tribuna Textil*, 04/51, 2:3: 3). The backlash against efforts to shift the trajectory of ISI in the textile sector produced a resurgence of mobilisations

given meaning by these ideas. Job cuts, wage squeezes, and the transformation of work were politicised in this growing discontent throughout the late 1940s and early 1950s.

The growth and development of the textile sector was, therefore, consolidated around the initial pacification of the working class. However, in engagement with PC activists and radical ideas, workers highlighted the limits of firms' strategies aimed at one particular resolution to the ostensible "exhaustion" of the easy phase of ISI. In response, firms began to articulate and develop new ways to exert and impose their control within the workplace around rationalisation, productivity, and workplace reorganisation. In their engagement with the autonomous and radical political subject of the working class, these strategies only engendered further conflict. This shifted, moreover, to the leading sectors of production where larger, modern establishments predominated. As a result, the militancy of the working class, the most prominent pillar of the double crisis, was not restrained but intensified, deepening it within the sector and the trajectory of ISI.

Continued Decline and Re-Organised Struggle in Textile Production

This section will examine the intensification of disciplinary modernisation. The resurgence of workplace conflicts will be shown to be the outcome of earlier efforts to impose intensifications of work and discipline in the sector, which were increasingly accompanied by political repression and a further squeezing of real wages. In this context, ISI was reoriented around a coalition between the state and firms that sought to reverse many of the limited progressive measures that had been implemented two decades earlier. Rather than resolve low demand and worker militancy, these strategies only increased both. As stagnation in the sector deepened, so too did the militancy of the working class. Most significantly, these conflicts had moved into the cotton weaving factories that dominated employment and production and that were most deeply affected by these changes. As they combined with radical mobilisations beyond the workplace, textile workers directly confronted the limits of disciplinary modernisation.

The Ongoing Double Crisis and the Consolidation of Disciplinary Modernisation

The consolidation of the textile sector had occurred in the context of widening political repression, deepening workplace discipline, and intensifying social conflict. In response, firms across the sector resorted to an increasingly explicit assault on the perceived causes of the double crisis with the most concerted attempts to restructure the workplace. Rationalisation was pursued at a sector-wide level, tackling the proliferation of small, inefficient firms and low levels of international competitiveness. Productivity demands were increased using the advanced technology that was widely available, particularly in the cotton weaving plants. Workplace reorganisation was promoted with increasing vigour to tackle these endemic problems within the workplace and to re-impose the authority of management over the resurgent working class. Yet rather than herald a new phase in the consolidation of ISI, they represented an intensification of the previous measures, imposed, as they were, through paternalistic managerial authority.

There was a continuing consolidation of disciplinary modernisation across the textile sector that saw it moving increasingly away from labour intensive to new forms of capital intensive relations in production. It remained a vital sector in terms of employment and production and supplied a significant proportion of domestic demand during the 1950s. Yet it was the limits placed on that demand that led to its decline relative to industry overall (CEPAL 1962: 1-2). Output and productivity, as a result, stagnated between 1958 and 1964 (see Table 58). This was primarily caused by the mass production sectors of spinning and weaving, with the more specialised knitting sector experiencing some growth. In general, the latter were consumed by groups with relatively high incomes, whilst the former tended to be consumed by the "popular masses" that suffered wage squeezes and a decline in living standards throughout these years (CEPAL 1962: 9-10). The problem of low demand that had begun to manifest itself in the 1940s, therefore, was exacerbated during the 1950s and 1960s, forcing firms to increase their attempts to address the double crisis they faced. As a result, the strategies of intensifying disciplinary modernisation were pursued with growing vigour.

Table 58: Output, Employment, and Productivity in Textile Production, Chile, 1958-1964 (adapted from Stallings 1978: 254-259)

Year	Manufacturing Value-Added (Millions of 1965 Escudos)	No. of Workers (Thousands)	Productivity (Value-Added per Worker in 1965 Escudos)
1958	348	38.6	9 016
1959	401	39.5	10 152
1960	359	37.1	9 677
1961	380	41.3	9 201
1962	403	41.0	9 829
1963	454	42.7	10 632
1964	462	44.9	10 290

To resolve these problems, three main issues were identified in *Chile Textil*. First, there was a proliferation of small firms that undermined the market for large firms. Second, there were significant numbers of advanced machinery, but too few well-trained technicians. Third, the lack of rationalisation of the industry was causing a "crisis of competition" with foreign imports (*Chile Textil* 01/54, 113: 44). As such, these problems were interpreted as requiring a thorough transformation of the workplace. It was argued that this had been ignored for too long by textile firms throughout the sector. *Chile Textil* claimed that profitability would be determined by production as, not only was the factory a place in which items for sale were created, it was also where prices were determined and profits were realised (*Chile Textil* 01/54, 113: 44). Rationalisation in the workplace, in response, was promoted with increasing veracity. It was justified continually in *Chile Textil*, with explanations of the need for "technical discipline" in the workplace, for new methods of workplace organisation to maximise workers' monitoring of automated machinery and to improve productivity, and for implementing the ideas of Taylor and Emerson in production processes (*Chile Textil* 01/54, 113: 43-44; *Chile Textil* 04/54, 116: 12-13; *Chile Textil* 11/56, 146: 28; *Chile Textil* 11/59, 182: 12). Demands for workplace reorganisation as a means to resolve the double crisis through increasing workplace discipline and productivity, therefore, were at the core of changes to relations in production in the textile sector in this period.

Three examples demonstrate how this new rationalisation was implemented. First, an automated production line in a sack making factory saw employees reduced from 350 to 206, without having to change the machinery. Second, new methods and incentives in a

textile spares workshop saw a 40 per cent rise in production with a 20 per cent reduction in personnel, with a further 12 per cent increase in output coming from a redistribution of machinery. Third, a cotton spinning factory saw a 13 per cent output increase with minor personnel decreases and a significant increase in the quality of the product. These changes, moreover, had an even more significant impact in clothing, with a 60 per cent increase in production and 40 per cent cost savings. Rationalisation was, therefore, seen as constructing a new "nexus between man and machine" to advance productivity and profitability (*Chile Textil* 11/56, 146: 31). As a result, rationalisation was increasingly central to efforts to address stagnation and consolidate workplace discipline.

Transformations to the workplace reached their zenith in the 1960s with the systematic implementation of scientific production techniques. The sector was still riven by the problems that had plagued it in the preceding decades: high costs, low productivity levels, excess and obsolete equipment, lack of capacity to compete with foreign competitors, excess and poorly distributed personnel, and the wide diversity of products. For example, to produce 100 yards of cotton fabric required 2.33 hours of work in the United State, 2.74 hours in Japan and 12.85 hours in Chile (Frias *et al* 1987a: 26; CEPAL 1962: 5). However, in the cotton sector, 81 per cent of spinning and 83 per cent of weaving establishments possessed modern machinery, with Chile possessing the second highest proportion of automatic weaving machines in Latin America (*ibid*: 4 & 35). Workplace reorganisation to improve utilisation, therefore, was seen as the solution. At Yarur, there was the first direct introduction, with the support of US advisors, of Taylorist techniques, leading to the dismissal of over 1 000 workers (Winn 1986: 44-46). This was implemented alongside traditional forms of control, moreover, with strict supervision that meant workers could not even speak to one another during working hours (*ibid*: 80). These attempts to increase productivity were, as such, clearly oriented towards the imposition of control within the workplace. By restricting their abilities to communicate and organise in the workplace through the process of work itself, the factory became an increasing site of this new discipline.

Most interestingly, these changes to work also were seen as requiring a transformation in the actual worker. *Chile Textil* explained how work could be monitored and controlled through changes in workplace psychology. It was argued that earlier attempts at rationalisation had not necessarily been successful as factories were returning to the

older machinery and production methods following limited success in the utilisation of new and cheaper machinery (*Chile Textil* 1962, 210: 15). Thus three alternative ways to approach these problems were suggested: the adequate capitalisation of capital investments, their correct utilisation under proper management, and the training and "professional formation" of the female weavers (*Chile Textil* 1962, 210: 15). Training these new workers and their adaptation to the demands of modern industrial work was a central concern, particularly in terms of the influence of these factors over the productivity increases that could be gained through rationalisation (*Chile Textil* 1962, 210: 19). This was particularly pertinent, moreover, as many older, experienced workers were being replaced with recent migrants from the countryside (Figueroa 1961: 38-41). Rationalisation and modernisation of production, therefore, necessitated not only the import of advanced machinery and reorganisation of work but also the reconfiguration of workers. Yet the growing conflicts within and around the sector clearly highlighted their focus on disciplinary benefits as much as the ostensible productivity gains.

This intensification of disciplinary modernisation marked the turn to an overt assault on the working class. It was a clear attempt to resolve the problems facing textile production in favour of leading firms within the sector. Firm strategies, which included the imposition of Taylorism and industrial psychology, created increasing tensions around the double crisis that already had brought the ostensible "easy phase" of ISI to an end. In response, the largest and most influential firms intensified these forms of disciplinary modernisation. Yet to adequately resolve this crisis in their favour, it was necessary to successfully implement these strategies within workplaces where a militant working class continued to prevail. Within the workplace, then, struggle and conflict instead came to the fore, marking not just the end of the beginning of the consolidation of disciplinary modernisation, but also the beginning of its end.

The Beginning of the End of Disciplinary Modernisation in Textile Production

The intensification of disciplinary modernisation heralded the beginning of the "inevitable" breakdown of ISI. Efforts to resolve the double crisis of demand and worker militancy through an explicit confrontation within and beyond the workplace led to the increasing radicalisation of the working class. Protests that had begun to emerge

within the largest and most sophisticated sectors of textile production were increasingly prominent. Linked to the emergence of the CUT, to the continued presence of the PC, and to the relatively high levels of political autonomy that persisted amongst workers within these factories, these workplace conflicts extended the breadth of conflict against firm and state strategies. As workplace conflict became more widespread, moreover, workers pushed firms into intensifying efforts to limit their radicalisation. This intensification of conflict, however, served only to further radicalise the working class.

The breadth and significance of workplace conflicts in the textile sector increased significantly during the 1950s. The formation of the CUT was an important turning point for workers throughout the country and for textile workers in particular. A crucial example of their renewed militancy and its increasing politicisation came with the direct attacks levelled against the Prat Plan in 1954. In a clear and strongly worded critique, it was argued that not only was this Plan severely detrimental to the interests of workers, it was also detrimental to industrialisation as a whole (*Unidad Textil* 12/54, 1: 2). It was claimed that it failed to address important issues related to currency value and its effects on industry and workers' wages. Moreover, the workers' press offered a series of alternative proposals to address the problems in the sector. In eight concrete steps, it was argued that primary export supply should be secured, the import of foreign machinery should be halted, national primary materials should be protected, monopoly prices should be regulated, credit should be advanced, both in the long and short term, backlogs in domestic silk production should be tackled, and agrarian reform should be vigorously pursued (*Unidad Textil*, 12/54, 1: 3). Workplace conflict, therefore, was increasingly being mobilised beyond the workplace, connecting it not only to the changes in production, but also to the policies of the state that bolstered firms' control.

This took on increasing significance as conflicts increased within the leading sectors of cotton weaving. By the early 1960s workers at factories employing over 200 workers represented 62.1 per cent (23 781) of those employed in the sector, whilst workers in factories with less than 100 workers represented only 27.5 per cent (10 546) of the total (38 312) (CEPAL 1962: 12). Most importantly, these large factories were relatively few, meaning that the upsurge in workplace conflicts within and around these firms were increasingly concentrated. At Sumar, for example, a strike in response to employer belligerence that had continued from 1951 saw 1 500 textile workers walk out and then

occupy the factory for several days, resisting the efforts of the police to remove them. The workers had limited formal political experience, yet they mobilised with an "obvious sense of class" (Vitale 2011: 569). The intensifying imposition of new forms of workplace discipline within these factories, therefore, demonstrated the limitations of this resolution to the double crisis. It was only consolidating the militant working class, as workers in large factories were increasingly mobilising in large numbers and challenging the control exercised by firms and the state with growing veracity.

This continued into the 1960s, with similar strikes at other large factories throughout the sector. These occurred at Hirmas in 1961 and 1962 and at Yarur in 1962 over the introduction of Taylorist managerial and production techniques, including the demand at the former for workers to attend twenty weaving machines instead of seven with no associated pay rise. In the strike at Hirmas in December 1961 over 1 800 workers were involved and succeeded in gaining important concessions from their employers, whilst at Yarur in 1962 it was over 3 500 (Frias *et* al 1987b: 31; Winn 1994; *Central Única* 1961, 1:2: 12). There was also an 89 day mobilisation at Textil Progreso just prior to the 1964 presidential elections, which emphasised the previously unprecedented challenge to the discipline and control of workers within the sector (*Textil Progreso* 1972: 7). Despite attempts to nullify the threat from the working class by employing recent migrants or young women with little prior political experience, accumulated experience concentrated in these workplaces and radical political ideas gave the struggles of these workers increasing influence (*Principios* 1962: 79-80). The politicisation of workplace grievances that had occurred through the previous decade had, therefore, consolidated an increasingly coherent working class that contested the prevailing trajectory of ISI.

The ideas that had politicised the grievances and given meaning to the struggles of workers throughout the sector then took on a renewed significance. Hostility towards the legal foundations of the labour movement and the state were expressed in much harsher tones. In 1954, for example, the inadequacies of the Labour Code were argued to be so bad that it failed to meet the basic legal standards laid out by the United Nations Human Rights Declaration (*Unidad Textil* 12/54, 1: 1). This radicalism and militancy, then, was at the forefront of increasing opposition, not only to firms, but also to the state. Many of the problems facing workers were associated with the anti-national monopolies, with resolutions calling for their regulation and the extension of credit to

the smaller "national" firms (*Unidad Textil* 12/54, 1: 1-3). Workplace conflicts, as a result, were reformulated into a wider conflict that continued to be understood around radical ideas of Chilean socialism. These ideas were mobilised to politicise workers' grievances and gave them growing coherence to the working class in the textile sector.

It was the workplace conflicts that occurred in response to the intensification of disciplinary modernisation that engendered these political tensions and heralded the beginning of the breakdown of ISI. Overall, changes within the sector had led to the dramatic increase in output, increasing technological sophistication, and, in less significant terms, improved wages. However, the strategies pursued by firms created a rising tide of tensions around efforts to resolve the double crisis in their favour. As a result, the intensification of disciplinary modernisation marked a significant turning point. It demonstrated the limited extent to which firms and the state could proceed in imposing control within the workplace. Most significantly, it demonstrated the role played the working class in determining these failed attempts. Resistance and mobilisation were increasingly reoriented against workplace reorganisation in the largest factories, as the persistence of radical political ideas and political autonomy shaped the articulation of these grievances by an increasingly coherent working class.

The Emergence and Consolidation of the Chilean Textile Sector

This chapter has demonstrated the importance of the working class to the emergence and consolidation of ISI in the Chilean textile sector. In the first phase of its emergence, extensive growth was encouraged deliberately and inadvertently by the state, bringing with it new centres of conflict. Older and more marginal sectors, particularly in silk weaving, saw the most vigorous patterns of conflict as workers resisted the increasing demands that were being imposed through traditional managerial techniques. These growing conflicts, politicised by the activists operating within the newly formed political institutions of labour, created the conditions for the emergence of a short-lived progressive solution. Rather than engender a new phase in ISI, however, it led to the growing pacification of workplace conflict. Utilising this pacification, firms, backed by

the state, began a second phase in the consolidation of ISI that marked the end of its earlier extensive growth. Disciplinary modernisation, in which firms pursued rationalisation, productivity increases, and workplace reorganisation, sought to resolve the double crisis pervading the sector. It led, however, to the resurgence of workplace conflicts in a process reflecting the deep-rooted radical autonomy of Chilean textile workers. This resurgence, moreover, forced firms and the state to adopt increasingly confrontational strategies imposing repressive measures beyond the workplace and increasingly intensifying new strategies of discipline within it. These conflicts engendered the coherent formation of a working class in this sector, confronting the limitations of disciplinary modernisation and heralding the beginning of the end of ISI.

For firms and the state, therefore, it was workplace conflict in Chilean textile production that determined the articulation of their particular strategies. First, the so-called “easy” phase of extensive growth necessitated the imposition of control over a growing number of workers. Paternalistic managerial techniques, coupled with restrictions on political organisation, only went so far in securing control. Direct confrontation in the workplace between management and workers became increasingly disruptive to the rapid growth that had occurred. Second, in response to these engagements, firms sought to impose a stricter form of discipline through the production process itself. Concerns with competitiveness and output were, ultimately, secondary to the need to exercise control over a restive working class that formed the central pillar of the double crisis. Low demand could be addressed without rising wages if, first of all, the workplace could be brought firmly under their control. Third, this raises important questions about the role of the state. Industrial policy is, typically, seen as distant from changes within the workplace. Yet the decisions taken to provide protection to emergent sectors, to supply firms with credit, and to facilitate imports of technology and machinery were intrinsically connected to workplace reorganisation. It was in the workplace that such policies manifested themselves most concretely and, as such, where the state entered into conflict with workers most affected by the changes they produced.

Workers, therefore, determined the strategies of firms and the state in the most concrete and direct manner from within the workplace. Workers were not simply disruptive limits on the actions and decisions of firms and the state. As has been shown, it was the engagement between these actors, and the struggles that were engendered, which

disrupted and placed limits on the consolidation of disciplinary modernisation and ISI. Whilst firms and the state attempted to exert control and discipline in the workplace as a means of constituting a trajectory of ISI favourable to their aims, workers sought to secure advantages within it and also to go beyond it. Resistance in the workplace and mobilisation outside it was, therefore, about far more than increasing wages or improving conditions of work. These struggles constituted the distinctive political subjectivities of workers and their formation as a working class. Textile workers in Chile retained a prominent degree of autonomy that allowed for opposition to firms' efforts to impose various forms of discipline and control. Moreover, this meant that the political institutions of labour remained highly responsive to the militancy that had been engendered, with radical political ideas of a distinctive form of Chilean socialism acquiring new meanings around this workplace conflict. These factors, as a result, set the terms for the culmination of this trajectory of ISI in the 1970s around increasingly direct confrontation and the consolidation of this radical working class political subject.

Chapter 5

The Limits of Modernisation in Metalworking and Automobile Production in Argentina

The metalworking and automobile sectors in Argentina exemplified the experiences of ISI central to the perspectives of institutions, ideas, and class. First, they were amongst the leading firms established during the nineteenth century, with metalworking rising to prominence through inadvertent state support (Katz & Kosacoff 1989; Díaz Alejandro 2000). Second, early experiences of metalworking provided a major source of ideological critiques that helped consolidate later forms of ISI, with the automobile sector, backed primarily by foreign investment, being the main beneficiary (Sikkink 1991). Third, metalworking was a consolidated monopoly backed by a fragile social coalition, whilst automobile production was controlled by foreign firms that led the establishment of new forms of dependence (Galeano 1997; Cardoso & Faletto 1979). This chapter argues, however, that these key features were constituted by workplace conflict, with important implications for the rise of important leading firms, the consolidation of their inefficient production and industrial structures, the entry of foreign firms, the persistence of monopolies, and the role of technological investment.

There has been a significant recent upsurge in labour history research on this period in Argentina, with important contributions on workplace conflicts in the metalworking and automobile sectors. These have moved beyond much of the earlier historical research, which typically centred on the important role of the Peronist labour movement and its relationship with the state. Instead, these new studies emphasise the significant degrees of workers' political autonomy. They explore the changing conditions of work in these sectors, the motivation behind spontaneous forms of resistance and more organised

mobilisations, the political ideas that shaped workers' subjectivities, and the influence of the working class over industrialisation (Iñigo Carrera 2012; Schiavi 2008; Schneider 2005; Basualdo 2010; Basualdo 2011a). In this chapter, moreover, this research is complemented by further primary research. The industry journal, *Metalurgia*, for example, provides important insights into the decisions of firms around changing production processes. These sources, therefore, offer invaluable insights into work, resistance, subjectivity and the political influence of workers over ISI in Argentina.

The chapter will argue that workplace conflicts in these sectors led to the consolidation, in the case of metalworking, of fragmented relations in production and between firms and, in the case of automobiles, of locally-specific forms of disciplinary modernisation. In response to the unprecedented position gained by the political institutions of labour under Perón, firms attempted to exert discipline and control over workers. In the process, workers' political subjectivities, which had been initially consolidated around Peronism and ideas of economic nationalism, were continually reconstituted. In the metalworking sector, the predominance of the political institutions of labour meant workers' influence around resurgent workplace conflict was successfully constrained. In the automobile sector, the antagonistic relations in production, the less stringent forms of institutional mediation and control, and the more widespread presence of radical ideas meant that struggles within the workplace took on a far wider significance. However, in both sectors, alongside successive governments, firms were continually forced to respond to the mobilisations of the working class. As a result, workplace conflict determined the extent and persistence of repression beyond the workplace, the consolidation of stagnation in metalworking, the attempts to establish disciplinary modernisation around the new technologies and managerial techniques of automobile firms, and the formation of a militant, but continually fragmented, working class.

The Fragmentation of Metalworking and the Working Class

This section will identify the central facets of the metalworking and automobile sectors as they emerged before and after the Depression. It will demonstrate how this crisis had

a limited effect on their trajectories and how workers, despite their limited political representation at the time, played an important role in their respective rise and decline. Most significantly, it was the shifting locus of conflict to metalworking and the increasing prominence of mobilisations around it that engendered the emergent alliance between firms, the state, and the political institutions of labour that would determine the future trajectory of ISI. It was the pacification of earlier workplace conflicts beneath the emergent political institutions of labour with the backing of the state that permitted the consolidation of the "social coalitions" around the growing state apparatus.

Metalworking and Automobiles Before and After the Great Depression

The metalworking and automobile sectors played a central role in the emergence of industrial manufacturing in Argentina prior to the 1930s. They were an illustration of its early growth with limited state support and little direct protection. However, it was after the Depression that metalworking saw its decisive growth, which, in many ways, appeared to typify early experience with the "easy phase" of ISI. The decline of international trade meant a plethora of small, independent workshops were established to provide important inputs and consumer goods. However, it was not direct state support that led to the emergence of these small, inefficient domestic firms and local production networks. Instead, it was the relationship between a minority of large foreign- and state-owned firms and the plethora of small and medium-sized firms that led to metalworking's sudden surge and emergence as the leading sector of ISI.

Metalworking and automobiles were small but significant sectors of manufacturing during the early decades of the twentieth century in Argentina. In 1914, for example, they constituted 7.7 per cent of output and 12.5 per cent of employment, compared to foodstuffs and beverages, which together constituted 53.3 per cent of production and 34.5 per cent of employment. At this stage, moreover, small, labour-intensive establishments predominated (Díaz Alejandro 1970: 212-213). Ownership, however, made the sector particularly distinctive. The 1914 industrial census shows that 77 per cent of firms in the sector were controlled either by foreign investors or recent migrants, higher than the average of 66 per cent foreign ownership across manufacturing (*ibid*: 215, table 4.5). The significance of foreign investment, moreover, continued into the

1920s, particularly in automobile assembly (Ferrer 2008: 204). Ford established sales operations in 1914 and assembly operations in 1917 and 1922, with General Motors (GM) in 1925 and Chrysler in 1929 quickly following. Between 1925 and 1929, as a result, Argentina became the largest market for the US automobile industry behind Canada. By 1926, moreover, it was generating US$6 million in profit for Ford, the firm's highest in South America (Nofal 1989: 8-9). Foreign-owned automobile firms, therefore, were an important feature of early industrial growth across Argentina.

The impact of these firms was particularly significant not only in terms of the scale of production, but also in terms of the technical contribution to the economy overall. For example, growth in assembly production meant that, by 1930, there were over 435 000 automobiles in the country, or one for every 35 inhabitants, whilst domestic networks were established, such as the partnership between Chrysler and Fevre y Basset. Relationships such as these, as such, led to a growing diffusion of new, more sophisticated production technologies, organisational changes in the workplace, and new strategies in commercialisation (Belini & Korol 2012: 57-58). The 1920s, moreover, saw the emergence of the first large-scale, mass-production manufacturing facilities in the country. The State Aeronautical and Mechanical Industries (IAME), established in Córdoba in 1927, was the first example in metalworking, and, until 1932, was the largest manufacturing plant in the country (Brennan & Gordillo 2008: 18). By adopting new work processes from foreign firms and locating them outside Buenos Aires in a state-controlled factory, the nascent trajectory of ISI in metalworking and automobiles was established. Foreign firms played an important role in its early formation in terms of technology and work process, but it was the state that was necessary to broader changes in the scale of production and industrial structures.

The Depression had a limited impact on these established structures. Continuing growth meant that, by 1935, metalworking and mechanical industries constituted 23 per cent of establishments, 20 per cent of personnel, and 14 per cent of output. Automobile production, however, remained primarily foreign-owned and domestic metalworking firms were typically smaller establishments with obsolete technology, irregular supply, and low scale and quality (Girbal-Blacha 2004a: 49-51). One example was the San Martín Metalworking Workshops (later TAMET). This firm employed over 1 500 workers producing a wide variety of products, including bolts, pipes, screws, rivets, and

galvanized sheeting. Production output was high and conducted using imported machines, such as Siemens furnaces, which, in turn, produced 20 000 tons of laminated steel a year and 10 000 tons of piping. However, whilst 150 000 tons of goods were estimated to be produced annually, there was substantial product diversity (*La Argentina Metalúrgica* 10/32, 1: 4: 9-11). This TAMET plant, therefore, offers an example of the early limits on growth in the sector, with the wide variety of products and production processes undermining technological or organisational transformation.

The one sector that was significantly impacted upon by the Depression, however, was the automobile sector. The state exacerbated problems faced by these foreign firms in the context of international crisis. Tariffs were imposed on fully assembled vehicles, road-building projects were reduced in 1931, and a tariff structure that favoured parts manufacturing undermined the potential for extending assembly or vehicle production. As a result, there was a shift in activities towards parts manufacture. Production at Ford and GM slowed, but this was offset, to an extent, by the entry of multinational parts manufacturers such as tyre producers Goodyear, Pirelli, Firestone, and Michelin (Nofal 1989: 10-12). Overall, this helped consolidate the overall structure of the metalworking and automobile sectors during the 1930s as dominated by a few large firms amongst a plethora of smaller workshops. Moreover, as large firms in the automobile assembly sector went into decline in the 1930s, domestic metalworking firms using outdated or self-made technology, primitive factory layouts, and the enforcement of strict managerial authority came to the fore (Katz & Kosacoff 1989: 48-49). It was metalworking, as a result, that, between 1939 and 1945, experienced the most rapid growth of any manufacturing sector (Brennan & Rougier 2009: 65). The outcome, therefore, was the consolidation of a fragmented sector and a continuing dissemination and strengthening of these persistently inefficient production and industrial structures.

The establishment of the metalworking sector offers an important corrective to the typical perspective on the "easy phase" of ISI. The significance of foreign and state-run firms demonstrates that there was little that was "natural" about the early growth of this new leading sector. Instead it was led by firms established during the early decades of the twentieth century with the backing of either foreign partners or the state. What emerged, however, was a fragmented industrial structure with a degree of modern technology and workplace organisation. In the larger firms of the automobile sector and

metalworking, relations in production were relatively advanced. However, in the predominant small and medium-sized establishments, outdated workplace organisation prevailed. It was in this context that metalworking became a new locus of conflict.

The Emergence of Metalworkers and the Establishment of Workplace Conflict

Workplace conflict within the automobile and metalworking sectors in Argentina was widespread, well-organised, and radically politicised from its very beginning. Radical political ideas were continually prominent as the Communist Party led much of the initial workplace organisation in larger firms across the sector through the Metalworking Industry Workers' Union (SOIM). This continued the important tradition of radical forms of organisation that characterised earlier mobilisations within the automobile sector, but, with low levels of representation and the relative failure of important strikes, more "institutionalised" solutions were sought. The CGT, and the nascent Metalworkers' Union (UOM), established increasingly important institutional channels with the state to resolve persistent conflicts. As a result, workplace conflicts became increasingly constrained beneath these emergent political institutions of labour.

As a small but significant feature of the manufacturing sector prior to 1930, the metalworking and automobile sectors were an important site of workplace conflict. For example, at the GM plant in Buenos Aires, over 1 300 workers belonging to the "United Metalworkers Resistance Union" mobilised between February and 5th December 1929. This began in response to the firm reneging on an agreement in which workers had obtained a salary raise and an eight hour working day. In particular, GM refused to allow the return of dismissed workers. Workers, in response, began a ten month strike against the firm, attacking its productive capacities through blockades, boycotts, and sabotage. Despite repression that resulted in 436 arrests and detentions, the demands of the strikers were eventually met, with GM agreeing to the following: equalisation of pay between male and female workers, the reinstatement of dismissed workers involved in the strike, a starting salary of eighty-seven and a half centavos per hour rising to one peso after three months, an overtime increase of fifty per cent, and compensation of five thousand US dollars for costs incurred by the workers (*La Continental Obrera* 12/29, 1: 5: 6-7). The significance of this victory against one of the most important foreign firms

in Argentina, and in spite of the harsh repression faced by the strikers throughout, was a crucial demonstration of the nascent political influence of the working class.

The emergence of this influence, and the growing threat posed by the working class, became increasingly apparent after the Depression. However, with the decline in automobile production, it was workers in the domestic metalworking plants that became increasingly prominent. Reflecting the combativeness of workers throughout manufacturing and the continued growth of the sector throughout the country, protests proliferated. For example, at TAMET over 800 workers came out in solidarity strikes on 20th May 1932, whilst at another large firm, Tandil, in Buenos Aires province, metalworkers undertook strikes demanding the organisation of a union (Camarero 2012: 9; Iñigo Carrera 2012: 53). The SOIM, representing around 3 000 workers, then played an important role in extending these mobilisations in the build up to the 1936 general strike (Iñigo Carrera 2012: 170 & 183). During these mobilisations in 1936, metalworkers organised widespread solidarity strikes in response to police repression and the mass arrests that occurred in January (*ibid*: 224-225). The upsurge in growth within the metalworking sector during the 1930s was, therefore, accompanied by an upsurge in working class mobilisation, radically politicised within the SOIM.

Following this mobilisation in 1936, moreover, workplace conflict in the sector increased significantly, with a rising number of strikes in various metalworking firms. According to the figures provided by Durruty (1969 cited in Munck *et al* 1987: 115, table 10.5), the number of strikes in the metalworking sector between 1937 and 1943 were second only to construction. There were fifty-one strikes compared to eighty-five in construction and forty-eight in the declining textile industry, of which the majority were linked to wage demands (20) or solidarity with other striking workers (14). This spread of workplace conflict after 1936 marked an important shift. Whilst the radical workers in the automobile assembly plants of the early twentieth century had begun to disappear with the concomitant decline of that sector, workers in the factories of metalworking mobilised with growing veracity. Although, by 1941, only 4 459 of the 228 356 workers across the sector were represented by the SOIM (Munck *et al* 1987: 108), the emergent threat posed by their mobilisations continually belied their numerical disadvantage in what was becoming the leading sector of industrial manufacturing.

One of the most important demonstrations of the emergent working class was the 1942 general strike. Despite the limited union membership at the time, this eighteen day strike incorporated over 70 000 workers across the sector. Work rhythms and productivity had increased dramatically and produced the conditions for this conflict. At TAMET, installed capacity had almost doubled from 2.77 HP per worker in 1935 to around 5 HP per worker in 1942. Ongoing protests throughout the beginning of the year contested these changes and led to large numbers of suspended workers, 1 500 at the SIAM, for example, whilst the mass assemblies organised by SOIM attracted large crowds, with one estimate at around 15 000 workers, all calling for the strike that occurred in June and July that year. Yet despite significant pressure coming from below, and regular mobilisations and assemblies, the strike was unsuccessful in meeting its demands (Gurbanov & Rodríguez 2007: 4-12). The resulting suppression of the radical working class organised around the SOIM, as a result, engendered a turn to increasingly institutionalised solutions to the problems faced by workers throughout the sector.

Most significantly, this led to a breakaway group forming the UOM in March 1943. Despite the radical origins of leaders such as Ángel Perelman and Hilario Salvo, this group turned to the state in their attempts to oust the SOIM (Horowitz 1983: 106; Schiavi 2011: 20). The failure of the 1942 strike, therefore, marked the beginning of the pacification of workplace conflict. However, whilst the political radicalism of the 1930s was increasingly constrained beneath the UOM, it did not disappear. Much of the initiative for the 1942 strike came from below, primarily over growing dissatisfaction with the imposition by firms of strict workplace authority and intensifying work rhythms. Therefore, as the sector grew into one of the most important in Argentina, metalworkers, organised in the UOM and retaining a significant militancy, were able to exercise a continuing, albeit reconstituted, degree of political influence over ISI.

Mobilisations led by SOIM, then, had a profound effect on the constitution of the sector. On their own terms they were relatively unsuccessful. However, in the longer term, they enabled the establishment of a political actor capable of directly influencing the policies of the state. The UOM was borne of mobilisations that had seen tens of thousands of workers mobilising. It was, therefore, the beginning of only a temporary pacification of workplace conflict. Most importantly, it was a manifestation of the tensions that would come to characterise metalworking. On the one hand, the metalworking sector would

receive increasing support from the state and concessions to workers, which served, in the short term, to pacify conflicts beneath the political institutions of labour. On the other hand, it would become one of the most important sites for the formation of a radical working class, with the persistence of workplace conflicts that had begun in this period imbuing later struggles with this same radicalism that is often overlooked.

Consolidating State-Led Industrialisation and Workplace Conflict

This section will explore the consolidation of the populist trajectory of ISI. It will argue that, despite the ostensible political influence of the working class in the newly consolidated social coalition, this period was dominated by efforts to stimulate growth reliant initially upon workers' acquiescence. Limited gains for workers enabled metalworking firms to retain control in the workplace. Yet with worsening stagnation, firms and the state increasingly turned to disciplinary modernisation. Rationalisation, workplace reorganisation, and productivity demands led, in particular, to tentative efforts to attract foreign investment. Workers, in response, challenged the imposition of these relations in production. The consolidation of ISI in Argentina around this "urban political constituency", therefore, was continually belied by the conflictive relations that persisted as firms attempted to reassert control and as workers, within and beyond the political institutions of labour, regularly mobilised to confront these strategies.

The Limits and Significance of "Populist" ISI in Metalworking and Automobiles

Two phases can be identified in the consolidation of the metalworking sector. The first was characterised by concerted support for the earlier growth through tariffs, subsidies, credit, and state ownership. Lending, in particular, targeted the consolidation of the prevailing industrial structure. Large firms and the plethora of small establishments were the main beneficiaries. Yet within only a few years, growing crises engendered a second phase. Firms, represented by an employers' association with close links to the state, began to transform the ostensibly populist trajectory. Concerns with workplace

control were particularly prominent, with proposals to transform production processes at the fore. Alongside stabilisation and rationalisation, there were appeals for foreign investment, particularly focusing on the automobile sector that would bring with it new production and managerial techniques to strengthen control within the workplace.

By 1946, the metalworking and mechanical sectors were a highly significant leading sector. Between the industrial censuses taken in 1935 and 1946, they had expanded from 23 to 27 per cent of establishments and from 20 to 22 per cent of employment (Belini and Korol 2012: 99). It was after 1946, however, that concerted industrial policy measures were targeted at this sector. Tariffs, quotas, and exchange controls, in particular, were utilised to support the earlier growth (Belini & Korol 2012: 137; Brennan & Rougier 2009: 47; Girbal-Blacha 2003: 50). There was, moreover, an increase in direct state support targeting the consolidation of the prevailing industrial structure. In 1946, Industrial Credit Bank of Argentina (BCIA) loans below $5 000 pesos constituted 36.7 per cent of total lending, whilst loans above $1 million pesos constituted 33.2 per cent, with the latter, until 1950, distributed amongst only thirty-seven firms (Girbal-Blacha 2004b: 81-84). Alongside small firms, credit and protection were particularly extended to large domestic firms, including SIAM Di Tella that expanded its activities with direct state support in, for example, the production of industrial piping at its subsidiary SIAT (Brennan 2007: 51 & 57; Rougier 2008: 77-87). Also, state-run firms grew in significance, with DINIE taking over formerly German-owned firms and creating, in 1947, the steelworking firm SOMISA (Belini 2001: 101; Belini & Korol 2012: 128; Girbal-Blacha 2003: 77). The result, therefore, was rapid growth throughout the metalworking sector around the prevailing industrial structure.

The most significant tendency in this period, therefore, was the consolidation of earlier trends in metalworking toward the growth of large firms backed by the state. By 1955, for example, of the 100 largest firms in the country, basic metal production, metalworking products, parts, and machinery (including automobiles) accounted for 11 per cent of firms and 23.4 per cent of manufacturing value added. This compared to 34 per cent and 22.9 per cent in foodstuffs, beverages, and tobacco and 19 per cent and 21.5 per cent in textiles and leather products (Schvarzer 1977: 329). Moreover, in 1953, SIAM announced profits of $48 544 000 pesos, ACINDAR $45 602 000 pesos, Klocker $22 000 000 pesos, TAMET $20 344 000 pesos, and La Cantábrica $18 907 000 pesos

(Schiavi 2008: 95, ff. 198). Growing output and productivity, particularly relative to traditional sectors, as well as soaring profits, reflected the prominence of these firms to the growth of the metalworking sector as it consolidated its leading role in the economy (Belini & Korol 2012: 150; see Table 59). Moreover, not only did these changes represent the increasing importance of large metalworking firms with state support and access to modern technology, they also highlighted the consolidation of growth within the sector reliant upon traditional forms of workplace organisation.

Table 59: Value-Added and Employment in Selected Sectors, Argentina, 1946-1954 (adapted from Belini & Korol 2012: 150, table 6)

Sector	Value Added 1946 (percentage)	Employment Share 1946 (percentage)	Value Added 1954 (percentage)	Employment Share 1954 (percentage)
Food and Beverages	24.0	21.0	19.6	18.3
Textiles	13.9	13.0	13.1	14.4
Chemical Products	7.5	4.2	7.7	4.4
Metals	8.3	10.1	9.5	11.2
Vehicles and Machinery	7.3	9.9	10.5	14.4
Machinery and Electrical Equipment	1.6	1.7	4.5	3.4

The growing concern of leading metalworking firms with workplace organisation became particularly prominent towards the end of the 1940s. In the Argentine Chamber of Metalworking Industries (CAIM), there was a concern that the "populist alliance" was preventing the implementation of "necessary" policy measures (Brennan & Rougier 2009: 66-70 & 84). In their monthly publication, *Metalurgia*, the CAIM stated that wages could not be absorbed by profits and called for rationalisation. Workers, they argued, must be obligated to change tasks at the behest of employers and be prepared to attend more than one machine in advanced sectors, whilst the role of the internal commissions be restricted (*Metalurgia* 1-2/49, 14:104: 3-9). The timing of these demands, moreover, is of no coincidence. After the crises at the end of the 1940s that pervaded manufacturing in general, and metalworking in particular, efforts were being

made by firms to consolidate control within the workplace. For example, costly labour and a failure to rationalise production was blamed for the demise of one firm producing flywheel gears for diesel motors, whilst the success of Casa Pesin, a firm producing a variety of high technology products, was claimed to be the result of the "rational" organisation of the new factory (*Metalurgia* 7/49, 14:109: 15-16; *Metalurgia* 5/49, 14: 107: 29-30). Therefore, as crisis hit the metalworking sector by the end of the 1940s, firms increasingly raised demands for workplace rationalisation and reorganisation.

By the beginning of the 1950s, firms intensified their efforts to reverse of many of the "populist" aspects of ISI. In *Metalurgia*, the CAIM made strong claims that to address the "pause in development" workers must act with "greater restraint and understanding" as the sector was restructured around productivity increases, workplace rationalisation, and fewer workers operating under strict discipline (*Metalurgia* 5/50, 15:118: 127; *Metalurgia* 9/51, 17:133: 3). These attitudes were also reflected in the state strategies adopted to address the crisis. The second "Five Year Plan" placed modern sectors, such as steel and automobiles, at its heart. The state directly supported advanced sectors, such as steel, and implemented new foreign investment laws that explicitly favoured foreign automobile firms (Brennan & Rougier 2009: 58). As a result of these changes, manufacturing recovered at an annual average growth rate of 5.1 per cent, higher than the annual rate for aggregate GDP at 4.7 per cent (Cortés Conde 2009: 188). It was, moreover, non-traditional sectors at the forefront of new innovations for workplace discipline driving this growth. Between 1950 and 1955, they had an annual growth of 8.4 per cent compared to 0.9 per cent in traditional sectors, with metalworking experiencing an even higher rate of 11.9 per cent (Schiavi 2008: 63). State intervention, as such, was bolstering sectors leading the imposition of disciplinary modernisation.

In particular, the leading sectors of this recovery were the large-scale modern workplaces of steel and, most importantly, automobile production. Production prior to 1952 had been limited. Domestic firms had continued to operate in automobiles, alongside parts manufacturers and small repair workshops. These firms had produced goods such as lorry trailers, whilst Mercedes Benz Argentina (MBA), International Harvester, Ford, and GM produced commercial vehicles at a rate below 50 000 units per year (*Metalurgia* 5/49, 14:107: 23; *Metalurgia* 6/50, 15:119: 17; Jenkins 1984a: 41-44). After 1952, however, small mechanical workshops linked to transport were increasingly

supported by state credit, whilst the state also held meetings with parts manufacturers throughout 1953 (Girbal-Blacha 2003: 90; *Metalurgia* 9/53, 19:155: 41). Decree 3693/59 brought the automobile sector under state protection, whilst promotion policies in 1951 and Law 14.222 permitted profit remittance by automobile firms after 1953 (Gordillo 1991: 166; Catalano & Novick 1998: 30-31). Two firms responded to these incentives, with the most significant investment being Kaiser (later IKA) in 1955 to retool IAME factories in Córdoba, a change that caused employment in non-traditional sectors to rise in the city by 63 per cent (Nofal 1989: 16; Brennan & Gordillo 2008: 21-23; Jenkins 1984a: 42; Belini & Korol 2012: 148). Foreign firms in the automobile sector, therefore, came to the fore, bringing important transformations in the workplace.

The consolidation of the metalworking and automobile sectors, first around the ostensibly populist Peronism and then through concerted efforts to introduce new forms of disciplinary modernisation highlighted the limitations of "populist" ISI. Earlier acquiescence had been achieved only through the partial resolution of workers' grievances. Yet with stagnation and attempts by firms to resolve it in their favour, the social coalition that had supported this initial phase unravelled. A new alliance between firms and the state, as a result, confronted workers with new relations in production. The fragile coalition behind Peronism began to break down as the capabilities to mediate and constrain the working class were weakened. Disciplinary modernisation, therefore, directly engendered a new locus of conflict in the metalworking sector.

The Resurgence of the Working Class in Metalworking and Automobiles

The two phases of this consolidation were mirrored by the concomitant reconfiguration and resurgence of the working class. In the first phase, workers were incorporated into the rapidly growing political institutions of labour, particularly within the UOM. However, this was not simply a case of the passive incorporation and pacification of working class radicalism within this institution. Persistent mobilisations within and beyond the workplace instead created the space around which the UOM was established. The second phase was a resurgence of radical mobilisations. New labour histories have shown that, despite appearances to the contrary, radical political ideas and working class autonomy persisted even during this ostensible heyday of the Peronist

social coalition. The result, therefore, was a return to workplace conflict mobilised within and beyond the institutional forms of representation that had been established.

The political influence of metalworkers increased dramatically after 1943. Unionised metalworkers numbered only 5 992 across five unions in 1945, but by 1946 this number rose to 21 855, and by 1954 it was over 118 000 (Doyon 2006: 119, 247 ff. 7 & 266). Workers acting both within and beyond the UOM, moreover, continued to play a leading role. For example, according to one of the UOM leaders, on 17th October 1945:

> "the masses had swallowed the (official) trade union organisation and the thousands of factory delegates were at the head of the crowds, which came together from hundreds of streets and districts at the Plaza de Mayo" (Ángel Perelman 1961 cited in Munck *et al* 1987: 129)

Despite the rapid rise to prominence of the UOM, it was the "social and organisational strength of the working class" that was crucial throughout the next decade (James 1988: 19). Moreover, following the absorption of the SOIM in 1946, there were growing tensions within the institutions. The UOM was "in 1947 a young union, representative of a branch that occupied a strategic position… but still in formation", with Communists occupying positions in the internal commissions (Schiavi 2011: 20-21 & 27). These tensions, moreover, were reflected in interventions carried out by the CGT, and five separate interventions carried out by the UOM leadership into local sections between 1947 and 1948 (Doyon 2006: 313 & 369). These interventions, therefore, demonstrated the continued presence of radical currents still within the UOM.

The 1947 metalworkers' general strike illustrates this persistence. This five-day strike, in which the entire metalworking sector was closed down, was the culmination of struggles to secure recognition of earlier agreements and expanded representation. Demonstrating its growing influence, Hilario Salvo called for the workers' right to go further in their demands and mobilisations than Perón or the CGT desired. This led to clashes with the CGT, but garnered reserved support from Communist activists. Lasting only five days, the general strike on 11th November had a powerful impact. Significantly, it was one of the first strikes to include workplace occupations, with workplace control and the influence of internal commissions being one of the main issues in the strike (Schiavi 2011: 21-40; McGuire 1997: 68). Workers mobilising beyond the constraints of the UOM, therefore, still posed a threat to firms and the state.

Workplace conflict within the metalworking sector, moreover, persisted into the early 1950s in response to the disciplinary modernisation being pursued by firms and the state. The CAIM, for example, complained about the "extreme liberty that the internal commissions enjoy in the factories", particularly against the attempts to enforce rationalisation and workplace reorganisation (cited in Basualdo 2010: 91-93). Strikes, in response to this increasingly combative stance taken by firms, became increasingly militant and widespread. Metalworkers in Rosario, for example, engaged in a fierce dispute with the central leadership in 1952, supporting the claims of Communist-backed Hilario Salvo (Munck *et al* 1987: 139; Schiavi 2008: 87). Moreover, events that began with small wildcat strikes later in 1952 eventually forced the resignation of CGT leader Juan Espejo, as a large group of metalworkers celebrating the anniversary of the 17th October 1945 greeted his appearance with jeers and continued to protest outside its headquarters until he resigned (Snodgrass 1997: 175). Therefore, despite the constraining influence of the UOM, workers continued to demonstrate their autonomy.

Moreover, there was a persistent role for dissident activists and radical political ideas. Their importance became increasingly apparent, with two groups of particular importance. First, the *morenista* Trotskyists of the Revolutionary Workers' Party (POR) led by Nahuel Morena had, since 1944, been pursuing a strategy of inserting themselves into the UOM. By the mid-1950s, they were operating in some of largest factories, such as Phillips, SIAM and TAMET, with Nahuel Morena describing the growing "clasista" mentality of workers across the sector alongside "combative delegates and good internal commissions". Second, the Communist Party, despite its repression under Perón, remained a relatively important force. These delegates were present in factories throughout the decade and tended to be very well-respected by workers, although mainly for their defence of economic gains rather than their political ideas. As tensions increased, moreover, these radical currents were able to gain an influence that belied their relatively small presence (Schiavi 2008: 74-84). This presence, combined with continuing autonomous mobilisations, therefore, represented a significant turning point, as the attempts to impose disciplinary modernisation were met by this working class.

Alongside this important, but nascent, shift, a "new" working class was in formation in the automobile sector. Unlike the metalworking sector, automobile workers were represented by Union of Mechanics and Automotive Transport Workers (SMATA).

This was far more decentralised, with local branches responsible for negotiations and final agreements. Such a form of organisation was seen by employers as a useful feature to enable control over workers, but actually allowed more democratic and participatory procedures (Brennan 1996: 294). Thus its structure and leadership aided the articulation of discontent as much as the "one union per company" model of representation that had been established across the sector, with significant space for anti-bureaucratic and anti-capitalist positions (Evans *et al* 1984: 139; Catalano & Novick 1998: 29 & 49). Most significantly, moreover, this emergence of SMATA and workers' mobilisations in the automobile sector was occurring during an upsurge in political tensions around ISI.

The culmination of these tensions was the metalworkers' general strike of 1954. The constraining influence of the CGT and the UOM within the sector was increasingly apparent to workers, with them being understood by now as little more than a branch of the state. Workers thus engaged in autonomous mobilisations without its authority. At TAMET, they demanded a pay rise of $0.60 pesos per hour, whilst at SIAM, which had not even had an internal commission since 1952, workers' attempted to force the reinstatement of recently fired workers (Schiavi 2008: 90-91). There were stoppages at Caige y Camea and Merlini, and growing unrest at Phillips. The end of April then saw further partial and total strikes at Decaer, Storer, Caige, Cesnac, Febo, Silviania and Merlini. Moreover, on 4th May, strikes in Rosario and Tucumán employed increasingly radical strategies, such as the "progressive partial strike", which culminated in a seven hour stoppage on 10th May (Schiavi 2009: 29- 31). Therefore, in overcoming the limits of the political institutions of labour, metalworkers began to represent an increasingly coherent challenge to the disciplinary modernisation strategies of firms and the state.

Workers' demands in this strike focused primarily on wages, changes to work processes, and the issue of control in the workplace. They demanded wage increases of 40 per cent to address the effects of inflation ignored by the UOM (Snodgrass 1997: 177). One of the most prominent concerns, however, was over the introduction of the "production card" that would record individual daily output, which was an important manifestation of new relations in production (Schiavi 2009: 29). In response, the UOM, having brought the strikes under control on 12th and 13th April, accepted only a 12 to 15 per cent pay rise, which led to violence within the union headquarters resulting in three workers dead and forty eight injured. Despite the imprisonment and deportation of

"foreign Communist agitators", militancy remained strong and more than 50 000 workers engaged in wildcat strikes. In Avellaneda district alone, 500 delegates forced the UOM to accept strikes (Snodgrass 1997: 178; Schiavi 2009: 33). Interestingly, moreover, strike committees were established in leading factories, including TAMET and SIAM. These were comprised, primarily, by members of the internal commissions, particularly from the Communist Party (Fernández 2007: 143-145; Schiavi 2009: 20-48). Pressure for the strike, therefore, came from below, with the radical political ideas being disseminated by internal commissions and workplace delegates playing a key role in politicising and facilitating the autonomous mobilisation of the working class.

The resurgence of the working class and its radical political autonomy marked a turning point in the consolidation of ISI in Argentina. The 1954 metalworkers' strike highlighted the limits on the consolidation of either the ostensible populism that had placed limits on the workplace control of firms and on the new forms of disciplinary modernisation that undermined the acquiescence of the working class. The inability of firms to exercise workplace control meant that they could not sustain their earlier growth, even with growing state support, whilst efforts to reassert this control only exacerbated workplace conflict. The UOM, moreover, could only exert its authority in mediating the demands of workers if acquiescence was ensured through continual concessions. Once this was undermined, however, the radicalism that had characterised workers' mobilisations during the 1930s returned. The response of firms and the state, therefore, was the deepening of disciplinary modernisation in the consolidation of metalworking and the re-establishment of the automobile sector.

Repression and the Resurgent Radicalism of the Working Class

This section will examine the intensification of disciplinary modernisation and the conflicts around it. In metalworking, efforts to reassert control within the workplace through a combination of new production processes and overt attacks on workplace representation only intensified conflicts, weakening the constraints that could be imposed by the UOM. In automobiles, TNCs transformed relations in production not

only in the large factories that were established, but also in local workshops, parts manufacturers, and, increasingly, in the metalworking sector. In both sectors, firms made use of the shift in political momentum to reorganise the workplace and intensify work. The relative institutional weakness of SMATA, moreover, allowed this to be more comprehensively implemented in the automobile sector. The result, therefore, was to further consolidate tensions in the resurgent workplace conflicts of the metalworking sector and around the increasingly radicalised workers in the automobile sector.

Disciplining Workers in the "Modernisation" of Metalworking and Automobiles

The consolidation of ISI in the metalworking and automobile sectors was characterised by a distinctive disciplinary modernisation, manifested particularly in the growth of the automobile sector. Leading automobile firms increased production, established domestic networks for parts and components, and introduced new technologies and production processes. These firms took on a leading role, producing cars and commercial vehicles for the domestic market. Nevertheless, the networks that were established reproduced the inefficiencies that had pervaded metalworking. A minority of large, foreign firms headed up a network of smaller firms and, despite increasing technology imports, most remained reliant on traditional methods of workplace control.

There were important changes to the role of the state in the metalworking sector after 1955. For example, the role of DINIE decreased. Whilst the value of its metalworking output increased from $168.2 million pesos to $192.8 million pesos, the total share of its overall activity declined from 16.5 per cent to 13.8 per cent between 1954 and 1957 (Belini 2006: 96). The CAIM responded positively to such changes, cautiously welcoming the proposals of the new regime. For example, the potential dangers of exchange rate liberalisation were acknowledged for a sector that relied heavily on imports. Yet these changes were understood as "essential and urgent" and demands were proposed at a meeting with the new Minister of Industry, including primary materials supply, energy supply and cost, modernisation of machinery, and the prioritisation of the Steelworking Plan (*Metalurgia* 10/55, 21:177: 3 & 14). These demands, as well as the willingness of firms to work with the military regime, demonstrated the shifting role of the state and its re-emergent alliance with firms.

As a result of this burgeoning new alliance between firms and the state, metalworking and automobiles underwent a period of substantial growth. Whilst overall annual growth rates between 1956 and 1961 were at 4.2 per cent, in non-traditional sectors this rose to 9.7 per cent, whilst in metalworking this rose even further to 12.1 per cent. Steel production benefited, in particular, with SOMISA tripling its output (Schiavi 2008: 63; Zarrilli 2004: 130). Most importantly, however, much of this growth after 1959 was stimulated by changes to foreign investment laws that permitted the unlimited remittance of profits and the repatriation of capital (Jenkins 1984a: 48). As a result, over 200 foreign firms opened factories between 1958 and 1963, bringing advanced quality, skills, and work processes that impacted significantly on the structure and performance of the sector (Katz & Kosacoff 2000: 302; Katz & Kosacoff 1989: 52-54). Non-traditional sectors came to contribute around 80 per cent of value added in manufacturing between 1950 and 1970, with metalworking contributing around 33 per cent by 1964 (Ferrer 2008: 331; see Table 60). Vehicle production soared, moreover, with foreign firms engaging in joint ventures or opening new subsidiaries including Ford, GM, Citroën, Peugeot, Chrysler, MBA, and FIAT (Nofal 1989: 26-27; see Table 61). Foreign investment, therefore, proceeded far more rapidly than before, transforming this alliance between firms and the state increasingly in their favour.

Table 60: Selected Manufacturing Sectors, Argentina, 1954-1964 (adapted from Belini & Korol 2012: 180, table 9)

Sector	Establish-ments (thousands) 1954	Establish-ments (thousands) 1964	Workers (thousands) 1954	Workers (thousands) 1964	Value-Added (%) 1954	Value-Added (%) 1964
Food, Beverages & Tobacco	22.9	25.9	275.7	272.2	23	24
Textiles, Clothing & Leather	29.4	18.5	312.2	227.2	22	14
Metalworking & Mechanical	48.2	56.7	421.2	470.3	25	33

Table 61: Vehicle Production per Firm, Argentina, 1960-1966 (adapted from Nofal 1989: 32-33, table 1.17)

Firm	1960	1961	1962	1963	1964	1965	1966
Ford	11 767	13 441	11 767	9 110	26 825	30 424	30 459
IKA-Renault	33 205	42 201	39 987	27 684	50 042	56 625	40 085
FIAT	4 272	11 339	14 185	18 544	23 397	28 868	36 303
SAFRAR (Peugeot)	1 912	5 000	8 812	8 406	2 693	6 647	11 013
Chrysler	4 330	7 382	10 028	8 258	10 484	16 163	14 376
Mercedes Benz	2 566	3 700	2 367	1 648	2 222	3 075	2 403
DINFIA-IAME	3 704	3 243	3 743	4 226	3 867	3 266	2 646
General Motors	11 056	13 457	12 063	9 146	19 322	25 212	21 596
Citroën	965	4 229	5 422	3 313	6 947	4 645	6 214
IASF	904	3 050	4 075	3 437	6 020	5 494	4 735
SIAM Di Tella	4 102	14 082	7 146	8 503	11 676	13 110	9 593
Isard	3 140	5 170	5 601	2 287	2 368	539	---
Others	6 412	9 894	4 664	337	620	468	30
Total	69 336	136 168	129 880	104 899	166 483	194 536	179 453

However, the ostensible surge in growth led by foreign firms was problematic. Whilst there was an initial surge in investment after 1959, between 1960 and 1962 only 17.3 per cent of this came from abroad. Moreover, much of the foreign investment was in the form of second-hand plant and equipment (Belini & Korol 2012: 182; Guillen 2001: 4). As a result, the overall impact of these firms was mixed.[8] Outdated technology meant production facilities were around 10 to 15 per cent of the "typical" size, with less automated production lines. Moreover, only IKA, Ford, and GM were producing more than 10 000 units in 1960 and these three firms comprised around 80 per cent of total production. But even these firms were producing on a low scale, with their nineteen factories producing fewer than 3 000 units annually (Katz & Kosacoff 1989: 54; Table 61; Zarrilli 2004: 131). The rapid growth of the automobile sector, therefore, served primarily to consolidate pre-existing problems in the fragmented industrial structure.

This proliferation of low scale and fragmented production, moreover, had a much wider effect. It stimulated growth in tyres, fuels, and engines, as well as encouraging increases in steel and machinery production (Belini & Korol 2012: 183). Yet local component suppliers were trapped in a cycle of inefficient production, producing to blueprints

[8] See Fishwick (2014) for further details on the causes and consequences of foreign investment in the automobile sector during this period. In particular, these decisions were motivated by changes at global and local levels, but it is their profound impacts at the local level will be explored in depth in this chapter.

provided by these foreign firms (Jenkins 1984b: 68). The proliferation of model types, which rose dramatically from 16 to 56 between 1959 and 1962, meant they were subjected to rapidly changing product requirements (Nofal 1989: 31). This was compounded, moreover, after 1961 when six of the major automobile production firms left and after 1964 when only twelve of the original twenty-one firms remained (Gordillo 1991: 178; Belini & Korol 2012: 182-183). The impact on the metalworking sector was even more significant. Output fell by over 9 per cent in less than two years, whilst employment fell from 309 000 workers in 1959 to only 121 000 in 1966 (Zarrilli 2004: 125; Cortes Condé 2009: 221; Munck *et* al 1987: 157-158, table 12.1). As an example, SIAM entered into crisis as it lost its protection and access to credit, with the high levels of productive capacity that had been built up during the 1940s stymied by its declining financial resources (Brennan & Rougier 2009: 139-143). Disciplinary modernisation, therefore, resulted in a crisis for older firms that had been established during the earlier phase of populist ISI, consolidating the prominence of foreign firms.

As a result, economic recovery was led by these large foreign firms in the automobile sector that strengthened their position in the economy as a whole. Vehicle production soared once again, whilst between 1960 and 1966 the share of local parts production rose from 26.3 per cent to 48.9 per cent. In real terms, local purchases rose by more than ten times between 1960 and 1966 whilst automobile production rose by a little over six times (see Table 61; Catalano and Novick 1998: 33; Nofal 1989: 149, table 5.4). This recovery, however, consolidated many of the earlier trends. Foreign firms in 1960 had accounted for only one-third of vehicle output, but by 1965 this had almost doubled to around 60 per cent (Jenkins 1984a: 50; Nofal 1989: 38). The fragmentation of production and concentration of ownership, therefore, further exacerbated problems of limited scale. Between 1963 and 1966, for example, the number of car model types rose from 30 to 43 and the number of commercial vehicle model types rose from 29 to 34, despite fewer firms operating in the country (Nofal 1989: 40). By 1965 five tractor plants were producing 13 500 units across fifteen different models annually, which compared unfavourably to plants in Europe and North America that could each produce around 20 000 (Belini & Korol 2012: 184). As a result, the inefficiencies of fragmentation and low scale pervading the automobile sector were consolidated.

The impact of this fragmentation was, moreover, keenly felt within the workplace. A 1967 study noted that almost a quarter of machinery in the sector was more than 10 years old, whilst one US union leader noted that much of it was being specifically built as "special low production machinery" (Jenkins 1984a: 52; Frank 1972: 109). As a result, work was characterised by simplified and repetitive tasks, reminiscent of Fordist automated production, but on a slower work cycle with older obsolete tools and more manual handling (Nofal 1989: 90). To ensure productivity without further technical and organisational investment, moreover, automobile firms resorted to a so-called "proto-Taylorism" (Catalano & Novick 1998: 32). Production processes were characterised by their relative inefficiency, with productivity increases and workplace control requiring strict authority to be exercised by managers and foremen (Brennan 1994: 90-91; Brennan & Gordillo 2008: 314-316). The rapid growth led by these foreign firms in the automobile sector produced a deepening of confrontation within the workplace.

The locus of conflict that had been established in the consolidation of disciplinary modernisation grew exponentially. Automobiles were the most rapidly growing sector of the economy that, backed by foreign investment, began to transform production and work. This transformation, however, did not resolve the persistent inefficiency of production. Despite having access to advanced technology and increasing output within the sector, even the largest firms continued to rely on traditional methods of strict control within the workplace. The persistent inefficiencies that had been consolidated, therefore, were not the outcome of dependency or an exhausted "easy phase", but were deliberately reproduced as a means to sustain workplace control.

Metalworkers and Automobile Workers in the "Peronist" Resistance

Disciplinary modernisation engendered a resurgence of working class mobilisations. In the metalworking sector, the declining constraints of the UOM enabled a re-emergence of workplace conflicts that challenged the efforts of firms to exert managerial authority. Nevertheless, institutional constraints were quickly, although partially, re-established, leading to a decline in the militancy of workers within these firms. In the automobile sector, however, workplace conflicts took on growing significance as new ideas engaged with experiences of the increasingly strict discipline in the workplace. This led

to new strategies of resistance, including increasingly violent occupations of factories, as workers came into direct confrontation with leading foreign firms and the state.

The mobilisations through the latter part of 1955 and early 1956 emphasised the new grievances relating to disciplinary modernisation. Strikes occurred at Phillips from 30th December 1955 to middle of January 1956 incorporating 2 300 workers. Radical activists had a clear influence over this mobilisation, with members of the Revolutionary Socialist Party calling on workers to "stay firm and united" against the "imperialist bosses, the intervention of the union [by the government] and the 'free unions'" (*Lucha Obrera* 25/1/56, 1:8: 2). At Autoar, progressive strikes targeted attempts to increase work rhythms and arbitrary firings, whilst workers at many other metalworking firms, including Catita, Atimsa, Philips, SIAM, Klockner, Fanal, Piazza, Carma, and Siambretta mobilised against the disciplinary relations in production (Schneider 2005: 89-90). Most significantly, these struggles were mobilised from below, with internal commissions and workplace delegates giving meaning to workers' demands (Gaspari & Panella 2008: 14). This was evidenced in the 1956 metalworkers' general strike, which lasted over 50 days from November. Despite lacking centralised leadership, it incorporated a variety of activists from Peronist-era leaders, to those close to Augusto Vandor, who would come to represent the new bureaucracy of the 1960s, to Communists and Trotskyists. It also displayed a high degree of coordination. Metalworkers in Avellaneda, Capital Federal, La Matanza and Vicente Lopéz, for example, established assistance committees to secure funds and food for the working class neighbourhoods (Schneider 2005: 94). The strike, therefore, highlighted the resurgent political influence of workers confronting the strategies of firms and the state.

The outcome of the strike, however, highlighted important changes in this political influence. The reconstitution of the UOM placed constraints on workers' mobilisation (*ibid*: 95-96). Yet workers demonstrated how they could transcend these. For example, the increasingly radical militancy had forced a transformation of the UOM, with the internal commissions and workplace delegates playing an integral role and consolidating links with the radical "Commandos of the Resistance" (*ibid*: 104; Salas 2006: 76-77). It was pressure from below combined with the increasing prominence of radical ideas that became increasingly significant. At ACINDAR, for example, one particular grievance centred on attempts to raise the requirements for productivity-

linked wages. This led to workers, rather than the UOM, protesting against these changes. The firm met these demands, which also included extra pay for unsanitary and dangerous work, but tensions over productivity-linked wages persisted (Basualdo 2011a: 241-242). In contesting the enforcement of disciplinary relations in production, workers were pushing far beyond the constraints of the UOM in the pursuit of their demands.

The metalworkers' general strike of 1959 confirmed this transformation of workers' political influence. The resurgence of mobilisation culminated in the general strike that was called on 3rd April 1959. This strike called, in particular, for an end to the dismissals and suspensions against the workplace delegates and internal commissions, as well as raising concerns over productivity increases. It was followed by a twenty-four hour general strike on 20th July and by another for several days on 25th August. Around 250 000 workers mobilised, closing 63 000 metalworking plants across the country. Moreover, there was a significant degree of coordination with, for example, workers in meatpacking plants providing striking metalworkers with food. Workers' demands focused on productivity increases, rationalisation of work processes, and the role of the internal commissions. The protests, in particular, were less about salaries and more against firms regulating and controlling the workplace (Schneider 2005: 125-130). This 1959 strike, therefore, demonstrated the threat posed by the working class and the limits of imposing new disciplinary relations in production throughout the sector.

Most significantly, however, the defeat of the metalworkers in this strike led to the strengthening of the UOM. For example, the UOM signed an agreement in 1960 that permitted restrictions on the internal commissions by facilitating a wholly centralised system of wage bargaining and agreeing to age restrictions on the workplace delegates to marginalise younger, more radical activists (Munck *et al* 1987: 154). The agreement also permitted the rationalisation of the work, increases in production rhythms, and the restructuring of the workplace (Schneider 2005: 146-148). As a result, the UOM became increasingly complicit in the imposition of disciplinary modernisation. Yet, whilst workers were placed under the increasing constraints of this institution, their militancy did not simply disappear. Although the new UOM under Vandor was not in itself radical there remained a "stronger disposition toward confrontation… most visible [in] the struggles in the streets" (Grau *et al* 2006: 148). Moreover, protests against

disciplinary relations in production were increasingly mobilised without the support of the UOM (Schneider 2005: 152-155 & 169). However, whilst this demonstrated the continuing combativeness of the working class, renewed constraints had clearly placed limits upon radical mobilisations, particularly in the stagnating metalworking sector.

In the automobile sector, however, these constraints were far less pervasive. As a result, strikes increased in the sector during the 1960s, just as the constraints on metalworkers were being consolidated. Workers at GM, Fevre y Basset, and Ford in Buenos Aires undertook short strikes, usually consisting of twenty-four hour stoppages, throughout 1961 aimed at returning dismissed or suspended workers to their posts (Schneider 2005: 168-169). Workers at MBA were important, targeting efforts by firms to reorganise production and increase productivity (Rodríguez 2011: 136). Automobile workers were also becoming increasingly prominent in Córdoba. For example, the 1959 general strike at IKA saw the first use of the "active strike" where workers came out onto the streets, holding vast, open general assemblies (Brennan 1994: 62; Brennan & Gordillo 2008: 37-39). Automobile workers' strikes in Córdoba were particularly important, as it was the factories where "the real community that bound the autoworkers together… where they spent most of their waking hours and the better part of their lives" (Brennan 1994: 340). As firms deepened disciplinary modernisation in this new leading sector, workplace conflict and the emergent working class became increasingly significant.

This growing significance, moreover, was not just in the automobile sector, but also in other sectors at the forefront of the resurgent industrial growth after 1963. At ACINDAR, for example, the firm sought to exploit the limited influence of the UOM in the area to undermine the internal commissions. The result, however, was the formation of an independent union in the factory, organised by a Peronist leadership, but outside the UOM. Workers occupied the factory with four hour strikes per shift, four hours of mass meetings within the workplace, and picketing outside it. Iron bars and Molotov cocktails were also used as weapons in defence of the occupation (Basualdo 2011a: 242-243; Munck 1987 *et al*: 156). Activists at the Autoar plant, moreover, protested the salary debt of the firms and the inaction of the UOM by seizing control of the factory, whilst at Aceros Sima there were strikes over unpaid bonuses, the changing of shift patterns, and the failure to provide proper work clothes. Two delegates were fired as a result and, when workers refused to accept the agreements reached by the UOM

leadership, a seventy two hour occupation began on 17th April. Managers and senior engineers were held hostage, with internal surveillance ensuring machines and tools were not damaged (Schneider 2005: 205-213). Occupations at these plants demonstrated the shifting locus of conflict accompanying the emergence of these leading sectors.

The most important manifestations of this shift, moreover, were the factory occupations at IKA and Ford. At IKA, not only did workers occupy the factory, but production continued under the guidance of workers for its twenty-four hour duration. Over 1 500 workers had been suspended, activists in the plant were fired, leading figures were jailed, all as a precursor to the desire of the firm to shut down the plant within the next 15 days (Schneider 2005: 205-206). Workers prevented this closing down and, most importantly, provided further evidence of their political influence over the trajectory of ISI in one of the country's leading firms (Brennan 1994: 94). At Ford, the number of hostages taken by workers represented an increasing militancy of conflicts, although a few days later, after agreeing to workers' demands to end the occupation, the factory was closed as the firm reorganised the workplace and fired 200 workers involved in the occupation. Significantly, however, this occupation was the culmination of small conflicts not represented in data on strikes and work stoppages (Schneider 2005: 245). The restructuring of the leading automobile sector was resisted with varying degrees of success in these two leading firms, with mobilisations against firms' strategies within and beyond the political institutions of labour continuing with increasing veracity.

These persistent conflicts, moreover, combined with the radical political ideas that took on renewed meaning in the course of these conflicts. For example, the crises in the sector after 1962 had led to increasing calls for worker participation, from Trotskyist factions demanding direct control to more moderate demands for oversight and control over lay-offs (Gordillo 1991: 178-179; Brennan 1994: 97). The issue of workplace control, moreover, was extended beyond the factory, targeting foreign firms and the political institutions of labour (Brennan 1994: 52; Gordillo 1991: 183). As a result, James Brennan (1994: 76) argues that what was created was "not a class consciousness but certainly a union consciousness". However, as has been shown in this chapter, this distinction is problematic. Workers' persistent political autonomy, the increasing significance of radical ideas, and limited pacification of this struggle had important implications for the formation of the working class and for its abilities to determine the

trajectory of ISI. Foreign firms dominated the sector, but the deliberate fragmentation of work and representation they imposed engendered collective experiences that allowed workers to press for mobilisations within and beyond the institutionally weak SMATA.

These conflicts, therefore, marked the beginning of the end of the consolidation of disciplinary modernisation in the metalworking and automobile sectors. Workers constituted an increasingly coherent and autonomous working class, whilst firms and the state continued to respond with a deepening of discipline and a persistence of repression. Pervasive constraints in metalworking meant that, despite their numerical advantage, workers in this sector were less significant in challenging these strategies. Instead, it was workers in the steel and automobile sectors of Córdoba and Buenos Aires that came to the fore. As a result, these increasingly militant workplace conflicts were transformed into a deeper struggle that would determine the eventual breakdown of ISI.

Consolidating Metalworking and Automobile Production in Argentina

This chapter has shown the importance of the workplace in the emergence and consolidation of metalworking and automobile production in Argentina. In the first phase of its emergence, extensive growth proceeded with little or no direct state support. Conflicts focused on grievances related to traditional production processes, which were politicised around prevailing radical ideas. Despite the immediate failure of these conflicts, however, in the longer term they engendered growing state support for metalworking. Extensive growth continued as metalworking firms and workers constituted leading sectors of the social coalition supporting the consolidation of ISI. This was initially constituted around populist measures, but stagnation and fears over workplace control forced firms to pursue stabilisation, rationalisation, workplace reorganisation, and productivity increases. Finally, the intensification of this disciplinary modernisation was pursued through foreign investment by automobile firms. These firms brought advanced technology that was disseminated alongside new relations in production. They also produced a surge in manufacturing output, but, with

the need to impose increasingly strict discipline in the workplace, radical working class mobilisations engendered new conflicts and the beginning of the breakdown of ISI.

For firms and the state, it was the persistence of workplace conflict that determined their decisions in the emergence and consolidation of ISI. First, the period of extensive growth provides an important corrective to the typical perception of the "easy phase". The emergence of a plethora of inefficient small and medium-sized firms was not a response to direct policy measures of protection, but instead was in response to the industrial structures established around predominant large firms. Moreover, traditional forms of workplace control prevailed despite the prevalence of advanced technologies. Second, the extensive growth led by the populist social coalition raised new fears about workplace control. Rationalisation, productivity, and workplace reorganisation were direct responses to the limitations of traditional forms of control. Despite the constraints imposed on radical mobilisation, workers remained an unresolved threat. This was manifested in the automobile sector where, despite weaker forms of representation, workers confronted leading firms and challenged workplace discipline. Third, these conflicts were central to the decisions taken by the state. By supporting firms in the imposition of constraints on mobilisation and direct assaults on new forms of political organisation, it played a leading role in the workplace conflicts pervading the sector. Attacks on internal commissions and attempts to undermine the political institutions of labour were a vital complement to firms' efforts to exert control through production and, in the words of a military leader, "to reassert the right of managers to manage".

It was in the workplace, therefore, that workers engaged with these actors. They forced the state to support the extensive growth of metalworking by challenging the traditional industrial and production structures that had prevailed. The populist consolidation of ISI was the direct outcome of workers' struggles. Workers did not simply acquiesce to this consolidation, but were active in its constitution. Moreover, they continued to challenge the imposition of workplace control, forcing firms and the state, once again, to pursue new methods for imposing it. New technologies, managerial techniques, and workplace reorganisation were the outcome of conflicts that posed a significant threat to the ability of firms to assert their authority within the workplace. Most importantly, in the course of these conflicts, the political subjectivities of the working class were continually reconstituted around ideas of Peronism and the Left. The meanings of these ideas,

moreover, were continually transformed in the outcomes of the workplace conflicts. Initially these bolstered the coalition supporting ISI, but in response to the disciplinary strategies of firms and the state, they politicised workers' grievances and established a new locus of opposition in the automobile and metalworking sectors. Moreover, the varying capabilities of the political institutions of labour to impose constraints meant it was the smaller number of workers in the automobile sector that would confront this trajectory of ISI and establish the conditions for its violent breakdown in the 1970s.

Chapter 6

Failed Revolutions in Chile and Argentina

The breakdown of ISI in Chile and Argentina has been the subject of much condemnation, but, for the most part, this condemnation has derived from the limits that pervade understandings of its emergence and consolidation. As such, it is the "exhaustion" of the easy phase, the failures of political and economic institutions, the limits of consensus around political ideas, or the intractability of class conflict that explains the inevitable breakdown of ISI. First, its collapse is blamed on deep-rooted internal contradictions embedded within the archetypal model of ISI that unravelled around economic crises and political tensions in countries throughout the region (Haggard 1990). Second, its failures relate to the accumulation of political tensions around institutions that were consolidated in the tumult of the twentieth century and that could no longer withstand their intensity (Thorp 1998). Third, new ideas aimed at overcoming the model's earlier limitations could not find significant traction within prevailing institutions or the wider political context, only exacerbating the growing tensions (Sikkink 1991; Hira 1998). Fourth, the tensions between competing social classes that constituted the dominant social coalition creating ISI could not be overcome and, in more radical perspectives, would only have been resolved through revolutionary change (Silva 2007; Cardoso & Faletto 1979). This chapter will argue, however, that it was the failure to establish control within the workplace that brought ISI to its brutal end, not as an inevitable collapse or as an underlying potentiality, but rather as the outcome of conscious political action and the intensification of workplace conflicts.

The chapter will build on the empirical material that has been used to explain the cases of Chilean textile production and the automobile and metalworking sectors in

Argentina. In Chile, recent studies on new forms of workplace organisation and political subjectivity provide an important basis for rethinking the influence of the working class in this deeply conflictive period (Winn 1986; Gaudichaud 2004; Gaudichaud 2005; Castillo 2009). This is complemented, moreover, by primary research using workers' newspapers that allow further insights into the specific formation of these aspects within the textile sector, including *Hombrenuevo*, *FENATEX*, and *Revista del Aréa Textil*. In Argentina, the upsurge in labour history also offers insights into the experiences of workers in the metalworking and automobile sectors. These examine the increasingly violent upheavals that characterised the breakdown of ISI and the influence of new and existing forms of workplace organisation (Carrera 2010; Basualdo 2011a; Rodríguez 2011; Mignon 2013). These studies are also complemented by further primary research, including workers' newspapers such as *Semanario CGT*, that provide insights into the competing ideas prevailing in the political institutions of labour at this time. These materials are invaluable resources for understanding workplace conflict, political subjectivities, and the political influence of workers over the breakdown of ISI.

The chapter will argue that this breakdown was the result of the failure of firms and the state to impose control within the workplace. In both Chile and Argentina, these ongoing efforts and their failure to pacify the working class produced new forms of mobilisation that posed a growing threat. In Chile, textile workers were at the forefront of struggles to transform relations in and of production through innovative new forms of self-organisation. In Argentina, workers in the metalworking and automobile sectors led much of the opposition to the intensification of workplace discipline in increasingly violent confrontations. The historically-constituted differences around work, resistance, and political subjectivity, moreover, meant that workers posed distinctive threats in the forms of their mobilisation. In Chile, textile workers were able to establish cohesive political institutions of the working class. In Argentina, the constraints imposed by the political institutions of labour, particularly in the metalworking sector but also within the automobile sector, stymied the establishment of similar institutions, but did produce increasing conflict. From within workplace, therefore, workers in Chile and Argentina

emerged as potentially revolutionary working classes, with the need to combat these political subjects determining the timing and ferocity of the breakdown of ISI.[9]

Reform, Revolution, and the Rise and Fall of Socialism in Chile

This section will explain the breakdown of ISI in Chile around the political tensions created within and around the workplaces of textile production. As the failure to implement strategies of stabilisation, rationalisation, and workplace reorganisation became increasingly apparent, firms and the state moved to support a reformist political strategy that would offer limited concessions whilst retaining the core features of production and workplace control within the sector. Yet this intensified the radical politicisation already underway amongst the working class. Its upsurge, in response, led to the continuing mobilisation of workers, for the first time since the late 1930s, in explicit support of "their" government. These protests, as a result, extended far beyond the institutional limits the new government sought to sustain, as conflicts within and around the workplace intensified. The result was the establishment of new political institutions not of labour, but of the working class. The revolutionary potential that these manifested, despite their fragile and nascent form, engendered a backlash against the working class that constituted the violent end of ISI.

[9] This thesis will not explicitly tackle the details of the violent assault on both the political institutions and political subject of the working class that accompanied the end of this period as it is a subject worthy of far more detailed analysis than is possible within the confines of this work. These events, instead, will comprise a future research project so, in the meantime, I will defer to very important historical and contemporary research that has been conducted to date. On Chile, the edited collection by Winn (2004) explores the impact of the political and economic repression on workers following the 1973 coup, whilst the book by Garcés and Leiva (2005) provides an in-depth account of its impact on one particularly active district of Santiago. On Argentina, numerous works have been produced that examine the conflicts between Peronist and leftist guerrillas and the state (see, in particular, Gillespie 1982), but in terms of the deliberate targeting of workers in the metalworking and automobile factories that comprise the subject matter of this thesis, recent research by a new generation of labour historians is providing renewed insights into the significance of these workers (see Basualdo 2011b & Azpiazu, Schorr & Basualdo 2010).

From Reformism to the (De-)Politicisation of the Working Class

The consolidation of disciplinary modernisation in the textile sector had created widening conflicts within and around the workplace. The political autonomy retained by workers, the relatively fragmented forms of political representation, and the prevailing radical socialist ideas produced a significant threat to workplace control by firms and the state. In response, a reformist strategy was implemented in an effort to pacify workers across the sector. However, the rationalisation and reorganisation of the workplace continued. Its resulting failures led to the establishment of the socialist government of the UP. The UP politicised struggles in the textile sector, pursuing nationalisation of the largest monopoly firms, increasing output through reactivation, and encouraging worker participation. The result was a new alliance between the state and the political institutions of labour that transformed the textile sector.

The electoral victory of the PDC and the "Revolution in Liberty" did little to assuage the conflicts intensifying around disciplinary modernisation in the textile sector. In fact, this ostensibly reformist strategy was accompanied by a consolidation of these new relations in production. At Yarur, for example, following the crushing of the strike action in 1962 through the use of traditional methods of "coercion, co-optation, and political influence", the dismissal of over 1 000 "rebel" workers meant that the needs of the Taylorist system being introduced by American advisors Burlington Mills were met within three years. By 1965, moreover, this system would be copied by its competitors throughout the country, combining the increases in work rhythms of Taylorism with the strict discipline of paternalist management techniques (Winn 1994: 30-31). Moreover, the state was instrumental in supporting such strategies. CORFO, for example, played a vital role in the renewal of technological capacity despite the fact that, according to OECD statistics, the sector was already "capital-intensive" and that continuing under-utilisation of installed machinery was a far more pressing problem (Ortega *et al* 1989: 196; *Chile Textil* 1966, 254: 11-13; Winn 1986: 25-27). Firms and the state, therefore, remained focused on workplace reorganisation to deepen control over workers.

Despite efforts at reform and this deepening of political control in the workplace, the double crisis persisted. Growth in manufacturing value-added and employment was stagnant, but, most significantly, so was growth in productivity (see Table 62). This was

despite the import of new machinery, the transformation of the workplace, and the support of the new government for textile production. Firms, as such, prioritised workplace control. For example, the Yarur company journal, *Revista Yarur*, emphasised benefits of the Taylorist system that sought the "perfection" of the worker, productivity-linked pay, relocation of workers within the production process, and a scientific reorganisation that was claimed to "maximise productivity" (*Revista Yarur* 03-05/68, 14: 12-13 & 18). In response, workers' mobilisations persisted throughout the sector. In silk production, stagnation of wages, the automation of work and expansion of the number of machines to be monitored by workers, poor working conditions, including faulty and dangerous electrics and no heating, and abuses in small factories led to a strike in over sixty factories in 1965 (*Central Única* 1965, 1: 3: 10). In cotton production, moreover, protests at Sumar in 1965 led to the reincorporation of two dismissed leaders, on full pay and with previous status retained (*Central Única*, 1965, 1: 2: 5). Changes implemented by the PDC did not resolve the double crisis and, most significantly, did not suppress the intensification of workplace conflict.

Table 62: Output, Employment, and Productivity in Textile Production, Chile, 1964-1970 (adapted from Stallings 1978: 254-259)

Year	Manufacturing Value-Added (Millions of 1965 Escudos)	No. of Workers (Thousands)	Productivity (Value-Added per Worker in 1965 Escudos)
1964	462	44.9	10 290
1965	501	49.7	10 080
1966	533	51.5	10 350
1967	558	51.9	10 751
1968	547	51.8	10 560
1969	569	52.8	10 777
1970	525	53.0	9 906

Following the electoral victory of the UP, however, the strategies of the state changed dramatically. The textile sector was at the forefront of the plans aimed at nationalisation, reactivation, and increasing worker participation. As a result, many large firms were nationalised. Eighteen of the ninety firms targeted for nationalisation were textile factories. Nineteen firms were eventually incorporated into the APS, thirteen from the original list (Yarur, Sumar, Hirmas, Tejidos Caupolican, Rayón Said, Textil Progreso, Paños Oveja Tomé, Rayonhil, Lanera Austral, Textil Comandari, Paños

Continental, Pollak) and six outside it (FIAP, Bellavista Tomé, Fabrilana, Sedamor, Hilanderías Andina, Confecciones Romitex) (Frias *et al* 1987b: 35). As a result, the APS controlled 48.8 per cent of textile sector output and 43.2 per cent of employment by 1970 (Frias *et al* 1987a: 27). These firms had dominated the sector, determining output, industrial structure, and production processes, but now the UP, backed by workers and in control of these firms, directly led the development of the textile sector.

In particular, the UP led a reactivation of the sector as output between 1970 and 1971 surged. The National Planning Office (ODEPLAN) showed in 1971 that in the APS this rose in some cases by over 30 per cent (National Planning Office 1973: 325). Official publications showed this rise affected all branches. Spinning and weaving in the wool sector increased by 34 per cent and 37.7 per cent, thread fibre and weaving in artificial fibres increased by 21 and 67.7 per cent, and cotton weaving and spinning increased by 7 per cent and 1.9 per cent. Individual firms also saw dramatic increases in output (*Revista del Aréa Textil* 1973, 1:1: 3; see Table 63). These surges in output, therefore, demonstrate the successes of UP strategies of nationalisation and reactivation after 1970 in response to changes being wrought to resolve the double crisis.

Table 63: APS Output for Selected Firms, Chile, 1970-1971 (*FENATEX* 09/71, 3: 4-5)

Firm	Duration	Changes in Output
Paños Oveja	1970 to 1971	Fabric (metres): 110 000 to 140 000
Bellavista	1970 to 1971	Fabric (metres): 90 000 to 196 800
FIAP	1970 to 1971	Fabric (metres): 70 000 to 128 900
Fabrilana	February 1971 to June 1971	Processed wool (kilos): 38 120 to 81 019
Sumar Seda	February 1971 to July 1971	Patterned wool (metres): 227 564 to 435 420
Sumar Algodón	May 1971 to July 1971	Spun cotton (kilos): 330 296 to 357 725 Cotton fabric (metres): 1 518 053 to 1 823 596
Algodones Hirmas	June 1970 to June 1971	Yarn (kilos): 386 043 to 473 310 Finished fabric (metres): 1 665 559 to 1 711 786

The most important changes, however, were linked to the increase in participation. Many of the firms integrated into the APS had been first occupied by workers. Sedamor and Yarur were the first textile firms to be taken over and incorporated into the APS,

with the former becoming the most profitable state-run textile factory in 1971 and the latter the first to implement worker participation (Espinosa & Zimbalist 1978: 41-42; Winn 1986: *viii*). The textile sector overall was the first to implement such participation with the formation of the "Textile Committee". This was followed up, in July 1972, with the "First Textile Workers' Meeting" (Frias *et al* 1987b: 38). For example, at (now) Ex-Yarur there were 1 750 workers and 500 salaried employees, 836 weaving machines, and 36 136 spindles. These were organised into twenty one "Production Committees" and teams of "Coordination Committees". Production, as a result of this reorganisation, rose by 20.6 per cent to 150 200 kg of processed cotton weekly, with a 20 per cent rise in mass consumption goods output, and an increase in shifts to maximise use of installed capacity (*Central Única* 7-8/71, 3: 12-13). These strategies aimed to resolve the double crisis, not through new managerial and production techniques, but, instead, through increases in output to meet workers' demand.

Efforts to transform relations in production, moreover, were increasingly apparent in the APS. Import costs were reduced at Ex-Sumar Nylon as new techniques for machinery repair displaced expensive foreign parts imports of electronic relays, saving the plant 40 to 50 000 escudos annually (*Central Única* 6-7/72, 9: 7; *Crea de los Trabajadores de Ex-Sumar* 15/08/72, 1:5: 3). At Ex-Yarur, the maintenance division was transformed into a spare parts factory producing three quarters of previously imported spare parts. Worker initiative also drove other changes, including new ventilation systems, production processes, and even accounting systems (Winn 1986: 212-214). There were benefits to output and for workers from these new relations in production. Ex-Sumar Planta Poliester saw usage of installed capacity rise to 95 per cent, with an increase in output of between 15 per cent and 20 per cent. Textil Progreso raised output by 19 per cent within the first year of its incorporation into the APS and constructed a paediatric clinic, a nursery for forty children, provided transport for workers, and improved medical services. At Rayón Said, production increased by over 50 per cent, which enabled the recruitment of forty new workers (*Central Única* 6-7/1972, 9: 7; *FENATEX* 07/71, 1: 2). Workers, therefore, in supporting the state were also beginning to resolve the double crisis by transforming relations in production to meet their own needs.

The working class explicitly offered its support for the expansion of ownership and participation. For workers, the struggle over wages and working conditions was being

displaced by a recognition that the solution to these problems lay in direct workplace control. This was reflected in *FENATEX* (07/71, 1: 7) where voluntary work in the factories, and the need for its expansion, was discussed. *Hombrenuevo* (04/09/71, 1:1: 2), a publication from workers at the Textil Progreso factory, took such a position even further, explicitly demanding the intensification of nationalisation across the economy, the unification of nationalised textile firms around a centralised sales board, and improved wages. However, these positions also reflected the deepening tension that emerged as leading figures within the UP sought to depoliticise the workplace. For these actors, participation was a technical contribution towards the management and organisation of production, contained within the constitutional path to socialism (Castillo 2009: 83). For example, Mireya Baltra, the PC Labour and Welfare Minister, argued that raising production output and increasing working hours would bring the working class to power (Silva 1999: 153). As a result, the CUT and FENATEX played a transformed role, seeking to mediate and depoliticise the radical mobilisations and demands for extended control over the process of production itself. As expressed by Peter Winn (1986: 241), "from the 'vanguard of the working class', the CUT was transformed into the national supervisor of productivity and the watchdog of the workers, whose function was to keep labour on a leash".

This beginning of the "peaceful road" to socialism engendered new and unexpected conflicts that led to the breakdown of ISI in Chile. The locus of this conflict shifted dramatically, with a new alliance between the state and the political institutions of labour transforming ownership, industrial structure, and relations in production. Moreover, in defending "their" government, workers' struggles began to extend beyond the UP's political and institutional limits. Nationalisation, reactivation, and the introduction of participation within the workplace gave increasing impetus to workers' struggles, as well as imbuing them with new meaning. The state and the political institutions of labour, in confronting firms and seeking to wrest control *over* these social spaces of production, came into increasing confrontation with workers seeking to regain control *within* them. The overcoming of disciplinary modernisation, therefore, served to consolidate the working class as a potentially revolutionary political subject.

The Battle for Production and the Political Institutions of the Working Class

Workplace conflict had continued to intensify around the implementation of disciplinary modernisation in the textile sector. The UP intensified the politicisation of these conflicts, with the proclamation of the "Battle for Production" giving them new meaning. This slogan, despite helping to generate support for the UP from within the workplace, embodied the new locus of tensions between workers, the state, and the political institutions of labour. Workers, in particular, re-interpreted it as a justification for moving beyond the institutional constraints of the Chilean political system and the limits increasingly being imposed by leading members the UP. As a result, new forms of mobilisation and organisation emerged, with attempts to take control of production by occupying factories, reorganising the workplace, and consolidating new imperatives for output in the formation of an alternative trajectory.

The locus of conflict in the textile sector underwent a fundamental shift during the early 1970s. From struggles over disciplinary modernisation, it moved to the meaning of workplace control, focused around the Battle for Production. This slogan was originally promoted by the UP and the CUT to encourage increases in output and defence of the factories from the direct and indirect attacks by their former and present owners (Santa Lucia 1976: 136). However, in the context of workplace conflicts, these calls were taken as a rallying cry for seizing control of production in its entirety, primarily as a call to increase the pace of the factory occupations and for "direct revolutionary action" (Gaudichaud 2005: 97; Winn 1986: 237). For example, in *FENATEX* (02/72, 6: 11) calls for the Battle for Production emphasised organising "Production Oversight Committees" to prevent sabotage, but in *Hombrenuevo* (04/09/71, 1:1: 2) it was identified with directly advancing the worker beyond merely "one more machine". The Battle for Production, as a result, was a formative idea around which textile workers came to constitute a radical, and revolutionary, political subject.

In particular, tensions were increasing over the character of worker participation. Workers were demanding "real" participation, which included production to meet the needs of the workers themselves and formal demands in "First Textile Workers Meeting" on the 14th and 15th July that criticised its "superstructural" level (Mario Olivares in Gaudichaud 2004: 167-168; Castillo 2009: 245-246). Most importantly,

worker participation schemes had marginalised workers outside of the APS. It has often been argued that these workers lacked the necessary "political consciousness" and adopted an "individualistic and rightist orientation rather than socialist" (De Vylder 1976: 48). However, the history of struggle that has been documented within smaller plants across the sector belies this perception. As they were forced to submit to the alliance with "progressive" industrialists, these workers "generated a popular movement that adopted its own dynamic, distinct from the process led by the government and Popular Unity", becoming, as a result, the "most radicalised fraction" of the working class (Gaudichaud 2005: 87; Castillo 2009: 81 & 180). Despite the continuing efforts to depoliticise the workplace, therefore, it was these workers, alongside those in the APS, which offered the most fundamental challenge to workplace control.

This challenge to control was premised around debates about the meaning of "popular power" within and beyond the socialist transition of the UP. This was based on "an incipient *popular political project*" that, in turn, was "based on mutual solidarity, democratic control of production, and participation" (Castillo 2009: 269). Workers' involvement in the political sphere, as a result, was triggered not by "formal institutional pathways", but instead by the persistence of their autonomy in this transition to socialism (*ibid*: 249). Experiences of increased participation, as well as the sense of being marginalised through the formal processes that were being implemented, subverted the very practices and meaning of participation (Moulian 2006: 268). As a result, workplace conflicts in the textile sector took on a new significance with the consolidation of this potentially revolutionary political subject. Textile workers were no longer simply contesting disciplinary modernisation and attempting to overcome the limits it imposed upon them, but instead they were leading changes in the sector.

The most concrete manifestation of these changes was the formation of the *cordones industriales*. The role of these political institutions remains controversial and sparsely researched. Their 'formal' existence, or at least the period of their political prominence, was a little under a year after the October "Bosses' Strike" in 1972. Yet their significance belies their short existence. For those who have focused their research on the political institutions of labour, they were a defensive mobilisation against the sabotage of employers and a means of coordinating the fragmented unions (Angell 2010: 48). However, for those who have studied them in depth, interviewing

participants or through documentation produced at the time, they represent nascent political institutions of the working class. Franck Gaudichaud (2005: 97), for example, argues that whilst they were acting to defend the UP, they encompassed far more radical aims, including the unification of the working class. For Sandra Castillo (2009: 158-159), these political institutions of the working class represented a "new popular organisation, with specific characteristics that gave them their own internal dynamic". Thus they demonstrated an autonomy that belied any notion they were beholden to the state, to the political institutions of labour, or to any narrow defensive interests.

These institutions, however, did not emerge spontaneously (Gaudichaud 2005: 97). Political activists were significant in the formation of the *cordones industriales*. Members of the PS and activists from groups such as the Revolutionary Left Movement (MIR) were crucial. A MIR activist named "Luciano", for example, played a key role in fomenting a factory seizure in a medium-sized firm controlled originally by a PDC-led union (Luciano in Gaudichaud 2004: 114). These activists from the MIR and the Revolutionary Workers' Front (FTR) were increasingly active throughout the sector (Cancino 1988: 217). This even led the PC former union president of Sumar-Algodón to claim that "people that led the debate… were intellectuals, children of the bourgeoisie, children of the wealthy who had come to lead the organisation of the workers" (Juan Alarcón cited in Gaudichaud 2004: 99). Thus the involvement of radical political activists in the formation of these organisations is undeniable. But their role should not be overplayed, as alone they were insufficient. These activists, the "children of the bourgeoisie", were only able to operate within a space created by the struggles within the sector and the political autonomy that workers continued to demonstrate.

The *cordones industriales* were organised around a wide variety of firms, including those already incorporated into the APS. Textile workers were represented in *Cordon Macul*, by Textil Progreso in *Cordon Vicuñua Mackenna*, by Ex-Yarur in *Cordon O'Higgins*, by Ex-Sumar in *Cordon San Joaquín*, and by Said and Perlak in *Cordon Cerrillos-Maipú* (Castillo 2009: 143 & 221-222). Moreover, the experience of Ex-Yarur in October 1972 is particularly illustrative of their crucial role:

> "at Ex-Yarur, organization reached a new level in the formation of self-defence brigades, whose worth was proved by the mobilization in minutes of one thousand workers armed with pointed staves to repel an attempted assault on the industry in mid-October. Within the factory, Ex-Yarur gave priority to the national effort to combat the strike, retooling its

> machine shops for the assembly of trucks, turning the industry garage over to the maintenance of requisitioned vehicles, and using the enterprise's walled-in grounds as a safe parking space for other government trucks. At the same time production levels were maintained although distribution was made more difficult by the loan of Ex-Yarur trucks – and drivers – to the Ministry of the Economy. An angry workers' assembly voted to erase the names of striking merchants from their list of clients and to distribute their quotas directly to *pobladores* [slum-dwellers] and peasants instead. Many workers volunteered for after-hours labor in the nearby Central Railway Station, loading and unloading goods" (Winn 1986: 237-238)

These actions demonstrate a depth of organisation and political strategy belying the *cordones'* embryonic form. Not only did workers defend themselves, they also co-ordinated activities beyond the workplace and transformed relations in production.

There were, however, some limits on this nascent process. Bureaucracy and the black market stymied efforts to develop alternative methods of supply, whilst Ex-Sumar workers complained of a lack of engagement from senior figures, of difficulties expressing problems in mass meetings, and a lack of "worker discipline" (Silva 1999: 267-268). Yet what is significant is that these changes were being led by the working class moving towards a potentially revolutionary transformation of production. In *Cordon Cerrillos-Maipú* delegates were elected to inclusive general assemblies to demand the *cordones*' unification and to dispute interventions from the UP and CUT (Hernán Ortega cited in Gaudichaud 2004: 200-201; Castillo 2009: 150). In a similar manner to those at Ex-Yarur, workers from Ex-Sumar were involved in seizing the buses to bring workers to the factories, maintaining the functioning of production and extending political control in *Cordon Cerrillos-Maipú* (Castillo 2009: 179). As a result, new forms of participation and control were established. Materials and expertise were lent between factories as production was continued without the presence of owners. In *Cordon Cerillos-Maipú*, production, distribution, and supply was coordinated by workers, whilst at Ex-Sumar, trade and credit arrangements were made between factories. Technical advisors gave assistance to smaller firms, whilst questions were raised regarding the division of labour, factory hierarchy, and the legitimacy of ownership (Hernán Ortega in Gaudichaud 2004: 202; Castillo 2009: 175 & 234-235; Gaudichaud 2005: 95). In particular, these examples demonstrate the significant role played by the working class in maintaining the necessary infrastructure of the workplace in the face of persistent, and often violent, constraints imposed on its transformation.

The working class was mobilising around a new "popular sociability" manifested in, and constituted by, the new social relations of the *cordones industriales* in a way that was fomenting new values, new ties of solidarity, and a new set of social practices (Castillo 2009: 231 & 241-242). On a concrete level, these relations in *Cordon Cerrillos-Maipú* allowed workers to force a change of policy regarding the incorporation of firms into the APS, encouraged the consolidation of other c*ordones*, and marginalised the political institutions of labour (Angell 2010: 47). At the same time, workers sought to sustain their autonomy from the APS and the state, requesting the UP not appoint an "interventor", but rather to allow workers to manage production themselves (Abraham Perez in Gaudichaud 2004: 276). This autonomy from the state and the CUT was manifested most significantly in opposition to the Prats-Millas Plan. This sought to reduce the number of firms in the APS by half, marking a substantial threat to earlier gains achieved by the workers (Santa Lucia 1976: 146-147). In response, not only did the *cordones industriales* make known their strong opposition, they also developed their own alternative proposals: non-devolution of industries, discussion of problems with coordinators, collaboration and consultation with workers, worker self-management, worker control of production and popular control of prices, and further expropriations (Castillo 2009: 264). Through these political institutions of the working class, therefore, textile workers increasingly manifested their revolutionary potential to transform the workplace and the trajectory of industrialisation.

The *cordones industriales* were central to the culmination of conflicts that led to the breakdown of ISI. These political institutions of the working class posed perhaps the greatest threat not only to workplace control, but also to the prevailing political order. The changes that had been brought about were characterised by workplace organisation that prioritised the needs of workers, networks that supported production and employment in small and large firms, and rapidly rising output that relied on growing demand. Complementing these changes, moreover, was the consolidation of radical political subjectivities shaped by the specificities of Chilean socialism and workers' collective experiences within these emergent political institutions of the working class. The threat posed by this combination of control within the workplace and the consolidation of these revolutionary political subjects, therefore, demonstrated that

attempts to exert control within the workplace were insufficient, heralding a violent end to ISI supported by leading firms and foreign and domestic political actors.

Revolution and Counter-Revolution in Chilean Textile Production

The violent backlash that marked the end of ISI was the culmination of failed attempts by firms to impose discipline and control over the working class within the workplaces of textile production and beyond. Workers in these firms had come to the forefront in contesting the imposition of paternalistic managerial techniques and disciplinary modernisation. In doing this, moreover, they had come to constitute a radical and autonomous political subject intent on transforming relations in and, to a growing extent, of production. The establishment of the *cordones industriales* within and around the attempts of the UP to take control of the monopoly-controlled textile sector from leading firms marked the culmination of workplace conflicts within ISI. Workers, in response, sought to transform the workplace and redirect the technological and productive capacities to meet their own needs. Innovations in the workplace, the move from demands for productivity to demands for increased output, and the consolidation of production networks that supported workers in marginal sectors of the economy demonstrated the emerging success of these transformations of the workplace.

The breakdown of ISI in Chile, from this perspective, therefore, cannot be understood as the inevitable failure of traditional manufacturing characterised by "protected inefficiency", uncompetitiveness *vis-à-vis* international production standards, and a reliance on reproducing low-wage, low-skilled employment. Instead, whilst these features were constant in the emergence and consolidation of the sector, they were features that came from attempts to exert control over a militant working class. The double crisis was directly linked to these strategies of firms and the state, with the increasing political tensions deriving from their failure to placate or pacify the working class. Workplace conflict produced the breakdown of ISI inasmuch as its successes under the UP in beginning to construct an alternative future for production, for industrialisation, and for the working class, posed a growing and tangible threat to the prevailing relations of power and domination in Chile. The changes that began to emerge from within the workplace in the 1970s demonstrated that stagnation, decline,

and collapse were only the inevitable outcome of strategies pursued to these ends, rather than through the pursuit of any alternative trajectory of development. The changes occurring in the 1970s showed that without resort to overt violence, the working class could transform the social spaces of production and the trajectory of industrialisation.

Fragmenting Manufacturing and the Working Class in Argentina

The section will explain the breakdown of ISI in Argentina around the political tensions engendered from within the workplaces of metalworking and automobile production. As conflicts intensified in new leading sectors of manufacturing, primarily in automobiles and steelworking, firms and the state resorted to increasingly repressive strategies inside and outside the workplace. In response, working class mobilisations became increasingly militant, posing a renewed challenge not just to the managerial authority of firms, but also to the political authority of military government. This upsurge led to new autonomous forms of mobilisation and organisation, whilst the political institutions of labour sought to renew constraints upon the working class. As a result, renewed efforts to impose control led to spiralling confrontations against a fragmented working class, which culminated in the violent breakdown of ISI.

Authoritarian Modernisation and (Re-)Disciplining the Workplace

The consolidation of disciplinary modernisation around the automobile sector had given rise to a new locus of workplace conflict. In response, the new military government consolidated the social coalition between the state and foreign firms alongside a deepening of stabilisation, rationalisation, and, most importantly, workplace reorganisation. The initial effect of this was a surge in output, particularly in the automobile sector. The number of cars produced for the domestic market increased, encouraging domestic production of parts and components, and increasing technological investment. Yet despite these “successes” for industrial manufacturing, these changes did not address the inefficiencies of existing industrial and production structures.

The policy measures implemented by the incoming military government of the self-styled "Argentinian Revolution" after 1966 had a significant impact on the metalworking and automobile sectors. In metalworking, it exacerbated and consolidated the decline of some of the largest firms in the sector. TAMET declared in 1970 that it was unable to pay the interest on its debts to the Industrial Bank, La Cantábrica could not afford to modernise its technology and compete in the production of agricultural machinery, leading to its nationalisation in mid-1973, and SIAM continued its downward spiral into bankruptcy that led to its liquidation in 1976 (Brennan & Rougier 2009: 138-139). The latter is particularly indicative of the consolidated stagnation within metalworking. The firm, by 1966, was in a dire state financially. Long term debt obligations and difficulties in negotiating credit agreements with international lenders meant that it increasingly had to disinvest from smaller plants, particularly those in which it did not have a majority shareholding. For example, it liquidated its shares in Tem Lucas and Martín Amato y Cía, two plants linked to the automobile sector (Rougier & Schvarzer 2006: 70-71). Moreover, Electrodoméstica, one of SIAM's oldest and most iconic plants, was in severe trouble, with one contemporary observer stating "it would be best to put a bomb under it to make it disappear and start anew" (Torcuato Sozio cited in *ibid*: 72). Therefore, despite being one of the largest metalworking firms, its multiple holdings meant that its financial situation worsened dramatically, reflecting the widespread stagnation that was pervading the sector.

SIAM's continuing survival throughout this period, moreover, illustrates the new priorities of the state in supporting metalworking. Credit agreements reached by SIAM in 1966 were dependent on continued contracts of its subsidiaries SIAT and Electromecánica with the state. Moreover, a decree-law passed in November 1967 established special assistance for large domestic firms, such as SIAM, depending on their "social preponderance, economic magnitude, technological development or national, regional or zonal significance". SIAM was only able to survive with state intervention to the extent that, by the end of 1971, the National Development Bank laid out its three options as liquidation, nationalisation, or increased support from the state that would imply huge outlays with little or no guarantee of returns (*ibid*: 73-97). Firms and the state, therefore, chose to confront the stagnation of the sector, and the failure of disciplinary modernisation, with an intensification of efforts to exert workplace control.

The response of leading firms within the automobile sector is particularly indicative. For example, at the largest producer in the country in 1966, IKA-Renault, the choice was framed as "one of 'rationalizing or dying'". Rationalisation was to be intensified under the new regime, with efforts introduced to speed up the production process (Evans *et al* 1984: 143). This, however, did not imply a reordering of the fragmented industrial structure that persisted, and actually worsened, after 1966 as fewer firms produced more models. Even as output rose dramatically between 1968 and 1973, cars remained expensive, selling at prices roughly 122 per cent higher than in the firms' countries of origin (Jenkins 1984a: 53-55). Moreover, in 1967 there were eleven firms operating in the country producing 81 models and, by 1973, there were only nine firms producing 123 models. As a result, average vehicle output per model type increased marginally from 2 164 to 2 388 (Table 64). This consolidated inefficiencies in domestic output in the sector, therefore, belying the potential gains from its rapid growth.

Table 64: Automobile Production per Model, Argentina, 1966-1976 (adapted from Nofal 1989: 32-33 & 40)

Year	No. of Models (Cars/Commercial Vehicles)	Total Production	Average Output per Model
1966	77 (43/34)	179 453	2 331
1967	81 (46/35)	175 318	2 164
1968	80 (43/37)	180 976	2 262
1969	106 (54/52)	218 590	2 062
1970	110 (56/54)	219 599	1 996
1971	110 (49/61)	253 237	2 302
1972	119 (53/66)	268 593	2 257
1973	123 (51/72)	293 742	2 388
1974	117 (48/69)	286 312	2 447
1975	110 (45/65)	240 036	2 182
1976	108 (45/63)	193 517	1 792

The effects of the continued fragmentation of industrial structures were felt, most strongly, in the workplace. Whilst the sector was characterised by important increases in productivity and production processes, the limits of its technological development soon became apparent. Far fewer engineers were employed in automobile subsidiaries than in the firms' home countries, with their main function the pursuit of "adaptive changes". For example, obsolete machinery for stamping bodywork was simply reinstalled in local

subsidiaries. As a result, and combined with the outdated factory design employed, annual output at GM in Buenos Aires matched two days' output in the United States (Schvarzer 1996: 258-261). These strategies, however, were far from accidental. Investment and the import of technology by foreign firms led only to "islands of mechanization", around a few modern production processes, such as semi-automatic welding, automatic painting, electrocoat for rust prevention, multiple nut runners, automatic tyre mounting and inflation, and electronically-assisted scheduling. Obsolete technology, moreover, was well-suited to low-volume production requirements (Nofal 1989: 89-91). Isolated, but relatively modern production processes, therefore, exacerbated the fragmentation of industrial structure and the workplace.

One illustrative example was the SARFAR factory controlled by Peugeot in Buenos Aires. This was divided into three production units: mechanical operations that involved manufacture of engine parts, body stamping operations, and assorted operations including painting, soldering, upholstery, and three separate assembly lines. These sectors were widely differentiated in terms of the intensity of the production process. On the assembly lines, work rhythms were manipulated by the firm to increase production. Soldering and painting, as well as stamping, were also very demanding. The mechanical plant, where motor parts were manufactured, was one of the least intense areas of production (Carrera 2010: 44). This structure also reflected general trends in the sector. Whilst some specialisation occurred between 1969 and 1972 as medium-sized cars were manufactured by IKA-Renault, FIAT, Peugeot, Ford and others, "on the whole…technical innovations were merely attached to the existing fixed-capital investment without any major re-engineering in the plants" (Nofal 1989: 99). The structure of production complemented the fragmentation of the sector as a whole.

It was necessary, therefore, for new forms of workplace organisation and managerial techniques to be implemented far more rapidly and far more widely. Design was firmly separated from execution, manual work was fragmented into small, simplified operations conducted within specified times, and workflows were controlled by employers through assembly lines and other mechanical measures (Nofal 1989: 95 & 106). These measures, combined with the obsolete technology that enforced slower and more intensive production processes, as such, required a strict discipline in the workplace. The intensity of these disciplinary relations in production within the

automobile sector is demonstrated by a study conducted by William Form (1972: 732) in the mid-1960s at IKA-Renault. He shows that only 16 per cent of the 315 workers surveyed across different production processes felt they could "move freely about their work stations", a number which fell to only 2 per cent in assembly operations. This compared to an average of 76 per cent in India, 47 per cent in the USA, and 26 per cent in Italy. Moreover, only 11 per cent of workers at IKA spoke to 11 workers or more in the course of their work, falling to 1 per cent within semi-automatic machine operations. This fragmentation of production processes and intense monitoring that restricted movement and communication represented the deepening of workplace control.

The new and rapid growth led by the automobile sector during this period, therefore, consolidated the inefficiencies of earlier manifestations of disciplinary modernisation around an intensification of this workplace control. Most significantly, the changes wrought by the ostensible success of this sector brought to the fore the new locus of political tensions that it now constituted. The surge in output and productivity was premised on the imposition of ever-increasing demands through workplace reorganisation and direct attacks on traditional and emergent political institutions. Firms had initially sought to restrict mobilisation. However, the effect of these decisions, when combined with the rising tide of radical political subjectivities and intensifying grievances within the workplace, was to produce some of the most militant and widespread protests in the history of Argentina.

Cordobazo, Clasismo, and the Limits on the Working Class in Argentina

The impact of changes within and around the workplaces of metalworking and automobiles brought an upsurge in conflict and the emergence of new forms of organisation. First, in the *cordobazo*, automobile workers occupied factories and built barricades in the streets. This protest, and the mobilisations that continued in the following years, then consolidated new working class subjectivities around *clasismo*. These mobilisations were characterised by an engagement between political activists of the Left and workers primarily in the automobile and steel sectors. These sectors had been less influenced by earlier constraints of the political institutions of labour and, as a

result, began to develop new forms of political organisation and mobilisation against firms, the state, and against these institutions themselves.

Workers in the leading firms in the metalworking and automobiles sectors experienced dramatic changes after 1966. At ACINDAR and Metcon, a steelworks owned by Ford, workplace reorganisation saw mass firings in 1967 and 1968. Over 700 were dismissed from the latter, whilst 80 were fired from the former, including the entire internal commission. In response, the ACINDAR Workers' Group (GODA), which had close ties to the Maoist Communist Vanguard, became increasingly prominent (Basualdo 2011a: 243-244). At Caren, a metalworking firm in Buenos Aires, workers formed independent strike committees that mobilised workers in assemblies against the demands of the UOM (Schneider 2005: 296). In the automobile sector at Citroën, workers protested efforts to increase productivity, with radical activists and student movements playing an important role (Schneider 2005: 285-285; Carrera 2010: 61-64). At MBA, tensions were engendered directly by the organisation of work, including the firm's control over training, which related to wage levels, and concerns over productivity increases (Rodríguez 2011: 129-130 & 136). Workers in both sectors were subject to increasing discipline and were mobilising around radical political ideas.

The constraining influence of the political institutions of labour, moreover, remained firmly in evidence. For example, members of internal commissions at various firms that challenged the UOM's authority and sought to go further in their demands were dismissed with its complicity (Schneider 2005: 282). At Peugeot, SMATA internal commissions were also complicit in the implementation of workplace discipline, whilst at IKA-Renault, following a strike in 1967, over 4 000 workers were dismissed also with the complicity of SMATA (Carrera 2010: 52-53; Mignon 2013: chapter 4). As a result, workers began to seek out new forms of political representation. In Morón, metalworkers from La Cantábrica, IMSA, and Olivetti sought to reconstitute the local UOM (*Semanario CGT* 1/8/68, 1:14: 4). By the end of 1968, the resulting "Metalworkers' Vanguard" and the "Morón Trade Union Coordination Committee" mobilised alongside the CGTA, calling primarily for a reconstitution of the political institutions of labour led by the working class (*Semanario CGT* 7/11/68, 1:28: 3). Automobile workers also offered their adherence to the CGTA (Evans *et al* 1984: 137-138). For example, in August 1968, workplace delegates from firms including MBA,

Chrysler, GM, Ford, Citroën, Easton, and Harvester Internacional mobilised in its support (*Semanario CGT* 5/9/68, 1:19: 3). Workers, therefore, confronted the strategies of disciplinary modernisation beyond the traditional political institutions of labour, posing a growing threat to the alliance between foreign firms and the state.

The most significant example, however, was in the automobile sector of Córdoba. The press sub-secretary of SMATA Córdoba reported that over 3 000 of their members adhered to the CGTA, backed by the widespread opposition to Vandor and the CGT throughout the city (*Semanario CGT* 15/8/68, 1:16: 4). Many workers at the plant were also students and political activists, moreover, providing an important link between the radical political ideas of the Left beyond the CGTA (Brennan & Gordillo 2008: 127; Evans *et al* 1984: 138). Mass participation through open assemblies and internal democracy, moreover, enabled the voicing and embedding of these radical ideas, creating a "heightened sensitivity to their status as a disenfranchised class" that was compounded and strengthened by a "captious leftwing opposition in the plants… [and] a combative union style and discourse in order to maintain its standing among the rank and file" (Gordillo 1991: 171; Brennan 1994: 96; Brennan & Gordillo 1994: 482). This political space, inspired but not led by CGTA, was rooted in the historical experience of automobile workers in the city and had profound consequences for the working class.

These consequences were highlighted most forcefully in mass uprisings after 1969 in Córdoba. The *cordobazo*, as it came to be known, was the culmination of struggles against intensifying discipline within the workplace, against the constraints being imposed by the political institutions of labour, and the resurgence of the working class around radical political ideas. For firms and the state, moreover, it was the most fundamental challenge to their authority to date. The *cordobazo* began as workers at IKA-Renault left their posts in the morning of 29th May 1969 and marched, armed with tools and steel bars, into the centre of the city. Metalworkers also mobilised alongside workers from IKA-Renault, expressing frustration at the limitations of the UOM. Following the violent police response, several neighbourhoods were occupied. The occupation, led by the working class, lasted into the night until the army retook the main occupied areas by the evening of 30th May (Brennan & Gordillo 1994: 485-490; Brennan & Gordillo 2008: 91-95; Brennan 1994: 153). Not only did this protest

demonstrate the limits of strategies aimed at controlling workers in leading firms of the automobile sector, it also began, moreover, to transform the working class.

Following the *cordobazo*, autonomous workers' mobilisations proliferated. In Buenos Aires, internal commissions and workplace delegates from the Vicente López neighbourhood openly rejected workplace reorganisation through strikes that were opposed by the UOM. Also, following an assembly of over 2 000 workers in November 1969, workers from GM openly opposed the suggestion of the SMATA leadership to accept the terms offered by the government and dissolve a strike (Schneider 2005: 314-315). In Córdoba, moreover, factory occupations and the increasingly prominent role of the Revolutionary Communist Party (PCR) gave new meaning to the conflicts within the city. IKA-Renault factories Perdriel and Santa Isabel, alongside Transax, Thompson-Ramco, Perkins, and the FIAT factories, Concord, Materfer and Grandes Motores Diesel were occupied in 1970 and 1971, with autonomous "occupation committees" and "struggles committees" democratically elected from at Santa Isabel and Transax (Mignon 2013: chapter 5). Workplace conflict, therefore, was transformed in these struggles, as well as in the *viborazo* of 1971, that marked:

> "a true 'cultural change' in the interior of the working class, that transformed its very way of being within the factory, of its relations with firms and with work, [and] the forms of manifesting its own demands and of organising to satisfy them" (Mignon 2013: chapter 5)

New forms of working class mobilisation undermined disciplinary modernisation. However, the political institutions of labour, combined with the fragmentation of work and production, imposed limits on the formation of coherent political institutions of the working class that could begin to construct an alternative.

The experiences of *clasismo* in the Concord Workers' Union (SITRAC) and Materfer Workers' Union (SITRAM) of the FIAT factories were perhaps the most concerted and, potentially, successful efforts to establish such institutions. Prior to 1969, FIAT had taken extensive efforts to isolate the workers at its factories from the political institutions of labour. This backfired dramatically on 23rd March 1970, however, as, following the signing of an agreement rejected by the company-backed union, workers mobilised in street protests and assemblies, occupying the factories and demanding the removal of the pliant union leadership (Mignon 2013: chapter 4; Schneider 2005: 332). Workers at SITRAC-SITRAM were an escape from the "straitjacket" of Peronism and

intent on questioning the organisation of the production process and the authority of management (Brennan 1994: 177-180; Schneider 2005: 333; Mignon 2013: chapter 4). Yet whilst they continued to impede production throughout 1971, the end result was violent police and military-led repression that brought this short-lived experience to an end (Mignon 2013: chapter 5 & 6; Brennan 1994: 201). Workers in SITRAC-SITRAM, however, represented a new threat, which was only overcome by political violence.

This threat took on increasing significance, moreover, as, in the aftermath of the *cordobazo* and *viborazo*, the SMATA leadership in Córdoba was also taken over by *clasista* workers. *Clasismo* emerged in Perkins and Thompson-Ramco in a "progressive advance" throughout the sector, in the largest IKA-Renault factories, and culminated in the election of a worker at the firm and executive committee member of the PCR, René Salamanca, as head of the Cordoban SMATA (Mignon 2013: chapter 4). It was the working class, most importantly, that drove the radical militancy of this institution, rather than any political leadership. For example, even after the imprisonment of Salamanca and his allies in 1974, workers, workplace delegates, and shop stewards continued to mobilise (Brennan 1994: 285-290; Evans *et al* 1984: 153). SMATA under Salamanca, however, did not constitute a political institution of the working class. In many instances, it was able to assimilate the more radical demands of certain sections of the working class and to mediate and pacify them through negotiations with firms and the state (Mignon 2013: chapter 6). As such, it represented the pacification, albeit an atypically radical pacification, of workplace conflict. By assimilating demands over workplace control, the "clasista" SMATA effectively depoliticised the workplace, which, in turn, allowed for its disarticulation after 1973 without the resort to violence.

These changes to the working class, moreover, were also prevalent outside Córdoba. Automobile workers in Buenos Aires, including at Chrysler and GM, engaged in autonomous mobilisations. Some of these protests, at FAE, extended into surrounding neighbourhoods and, at GM and TAMET, involved factory occupations (Schneider 2005: 330). Workers at Chrysler, represented by an internal commission and workplace delegates opposed to and independent of SMATA, engaged in a strike at the end of 1970 supported by residents of the surrounding area of La Matanza, which included metalworkers from SIAM. "Support commissions" were established, a daily "Strike Bulletin" was published, and meetings were held across the district throughout the

fifteen day protest. Again, it was only violent repression that brought it to an end (*ibid*: 335). By 1972, factories throughout Buenos Aires reached a near "permanent state of mobilisation" as occupations, protests, and work stoppages proliferated. Yet whilst efforts were made to organise these into a *clasista* organisation, they were unsuccessful (*ibid*: 352-353). By 1974 and 1975, however, *clasista* "coordination committees" had been established in the automobile sector. Workers from MBA formed the core of a committee established in La Matanza, for example, as these political institutions spread amongst automobile workers in Córdoba and the north and west of Buenos Aires (Rodríguez 2011: 139-143; Evans *et al* 1984: 154). The working class, nevertheless, continued to be fragmented by the political institutions of labour, which restricted and undermined the formation of alternative political institutions of the working class.

A final, and particularly pertinent example, can be drawn from the steelworkers of Villa Constitución. At ACINDAR, by 1972, the GODA was replaced by the Group of Combative Steelworkers (GOCA). These workers came from the radical *clasista* left, including the Revolutionary Workers' Party (PRT), the Socialist Workers' Party (PST), and the Communist Workers' Power Organisation (OCPO), and from the Peronist left. Not only did they press workers' demands and politicise their grievances, they also connected with radical delegates at Metcon and other steel firms throughout Villa Constitución. The leadership of the UOM sought to undermine this organisation, denying elections, replacing elected representatives, and expelling the 'communist' internal commissions at ACINDAR. Nevertheless, on 7th March 1974, workers began a general strike and occupation of the ACINDAR factory against the UOM, which was again repeated on 11th with hostages and barricades. The culmination of these struggles, moreover, was the 1975 *villazo*, which began following the arrest and imprisonment of 180 *clasista* activists. Led by strike committees, steelworkers engaged in a 59 day strike that was, once again, only halted by violent police repression (Basualdo 2011a: 246-253; Santella & Andujar 2007). The violence of repression by the state thus marked the spiral into violent conflicts, derived from growing threat posed by the working class and marking the limits on disciplinary modernisation and the breakdown of ISI.

The significance of *clasismo* in the political tensions that led to the breakdown of ISI is often overlooked. Workers' new forms of subjectivity, mobilisation, and organisation had led to increasing confrontations with firms and the state. However, the working

class was weakened by the role played, historically and in the particular conjuncture, by the political institutions of labour. By regularly acting to discipline and contain workers' political autonomy, these institutions succeeded in fragmenting the working class. Despite these weaknesses, however, *clasista* workers represented the consolidation of new political subjectivities and political institutions that posed a growing threat to the authority of firms and the state, engendering increasingly violent conflicts and constituting the conditions that heralded the violent and brutal end of ISI in Argentina.

Control and Confrontation in Metalworking and Automobile Production in Argentina

The violence of the backlash that occurred in Argentina was the outcome of efforts to discipline the working class inside and outside the workplaces of metalworking and automobile production. These attempts to exert control had been a relative success in Argentina. In particular, it was the political institutions of labour that, in frequent and uneasy alliance with the state and leading firms, had been able to constrain and fragment the mobilisation of the working class through its emergent new political subjectivities and forms of political organisation. The UOM, in particular, consistently applied its institutional strength to discipline autonomous forms of resistance that could challenge aspects of control within the workplaces of metalworking production. Yet they had failed inasmuch as the resurgence of radical political subjectivity and new forms of mobilisation, which, despite not representing political institutions of the working class, posed a growing threat. Workers mobilised with increasing prominence around ideas of *clasismo* and through organisations that challenged the political institutions of labour and forms of disciplinary modernisation.

The breakdown of ISI in Argentina, from this perspective, cannot be understood as the inevitable limitations of state-led modernisation characterised by the vertical integration of production and inefficiently fragmented production processes. These features characterised the emergence and consolidation of metalworking and the automobile sector, but were focused, primarily, on reinforcing control over a working class whose autonomy was also being constrained beneath the political institutions of labour. The inefficiencies pervading these sectors were directly linked to increasing political tensions deriving from a growing failure to reinforce the mediation and pacification that

had previously been consolidated over the working class. Changes that began to transform the workplace, centred on the emergence of new leading sectors backed by foreign investment, created growing political tensions manifesting the resurgence of a radical autonomy. Workplace conflicts produced the breakdown of ISI inasmuch as this resurgence, caused by the weakening of the constraints imposed by the political institutions of labour as the inadvertent outcome of firms' attempts to consolidate their control, posed a tangible threat to prevailing relations of power and domination in Argentina. The result, therefore, was a spiral of violent conflict that stymied any attempt to transform the workplace by firms, the state, or by the working class.

The Culmination of Workplace Conflict and the Breakdown of ISI

In distinctive but similar ways, the threat posed by the working class in textile production in Chile and metalworking and automobile production in Argentina determined the breakdown of ISI. The failure of previous attempts to consolidate control within the workplace had culminated in either the establishment of coherent political institutions of the working class intent on forging a new future for industrialisation or a spiral of increasingly violent political conflict. In Chile, it was the threat posed by the increasingly coherent political institutions of the working class that forced firms and the state to respond by instigating a brutal assault on the social spaces of production and the concomitant de-industrialisation of the 1970s and 1980s. In Argentina, it was the growing intractability of conflicts caused by two contradictory strategies for pacifying the working class that led to the violent attacks on the political institutions of labour and, most concretely, the workers themselves. In both cases, it was the failure of more benign strategies to control workers through managerial authority, limited concessions in wages and work, changing production processes, and the constraints of the political institutions of labour that created the conditions for a brutal crackdown on revolutionary forms of political subjectivity and political organisation.

This perspective on the breakdown of ISI, therefore, challenges the typical narrative and replaces the cautionary tale that it produces with one of cautious optimism. First, it

highlights the intentional political agency that constituted the culmination of tensions behind this breakdown, rather than the passive sense of inevitability drawn from deep-rooted internal, and intrinsic, contradictions of an abstract model or of institutional irrationality. In Chile, these tensions first derived from the attempts made, by firms, to intensify disciplinary modernisation and, by the state, to offer limited concessions that only expanded the space for conflict. They then emerged in the attempts of the state under the UP to depoliticise these struggles that had set in motion a transformation of the trajectory of ISI and of the working class as it consolidated its new-found control within and around the workplace. In Argentina, tensions were consolidated first by the deepening both of disciplinary modernisation by firms and of authoritarian political repression by the state. They were then shifted and were further exacerbated as growing resistance and mobilisation against these strategies enabled workers to challenge the constraints long-imposed by the political institutions of labour.

Second, it relocates the source of these political tensions away from institutions continually buffeted by the winds of social conflict, from the frustrated attempts of political elites to generate consensus, and from the limited capacities of dominant economic actors to impose their will. By focusing on the intentional political actions of firms, the state, and workers, the concrete effects of decisions taken in the engagement from within the workplace are brought to the fore. In Chile, efforts by the UP to depoliticise workplace conflicts and to limit them to control over, rather than within, the workplace clashed directly with the new political subjectivities of the working class. Workers' attempts to construct new political institutions then consolidated this new locus of political conflict. In Argentina, the persistence and intensification of firms' pursuit of workplace control undermined the pacification of workers' demands. Attempts by the state to attack these constraints served only to exacerbate the cracks that were forming and permit growing space for new political subjectivities to emerge. Workers' frustrated mobilisations then consolidated another new locus of conflict, markedly different from their Chilean counterparts.

Finally, and most importantly, these show that alternatives to the "inevitable" breakdown were possible. These alternatives were most clearly manifested in Chile. The *cordones industriales*, coupled with the changes to industrial and production structures being implemented by the UP, marked the potential to overcome the limits of ISI

through new relations in and of production. Within the textile sector, workplaces were transformed as economic and political spaces in which the working class exercised a growing level of control and coordination over their productive activity. In Argentina, such potential alternatives were less coherent, but they were still present in the struggles being mobilised by *clasista* workers. Relations of solidarity, concretely experienced in processes of production, were consolidated within and beyond the workplace in defensive mobilisations against the intensifying conflicts that pervaded the country. In the political institutions of labour over which these workers increasingly gained control in the automobile and steel production sectors, a new political subjectivity was in formation. Confronting these alternatives, or at least their latent potential, imposed new imperatives on firms and the state as they came together to violently bring an end to ISI.

Conclusion

Industrialisation and Bringing the Working Class Back In

Three significant contributions have been made in this thesis. The first is the elaboration of a novel methodological framework that brings labour relations theory, Marxist development studies, and labour history innovations into IPE as a means to interpret extensive primary and secondary empirical data. This framework enables the incorporation of labour in a meaningful sense, opening up the sphere of production as a space in which development "happens" and in which power and influence is exercised to determine developmental outcomes. The second is to demonstrate the continuing significance of the working class by taking seriously the role of workers' mobilisation, not as a function of a process occurring beyond workers' control, but as necessarily determining of the outcomes of development. By shifting our lens from the institutional configurations where labour is analytically and politically excluded, workers are elevated to active political subjects determining the world around them in the workplace and, by extension, the developmental trajectories of ISI in Chile and Argentina. The third, as a result, is to show how ISI was neither an aberration nor an accident, but rather comprised a "rational" and purposive set of competing strategies aimed at constraining the ongoing resistance of the working class in the workplace and beyond.

The persistence of ISI in Chile and Argentina and the timing of its violent breakdowns were, therefore, outcomes of contested attempts by firms and the state to impose discipline and control within the workplace. In particular, these strategies were pursued through new technologies and managerial techniques that produced transformations across industrial manufacturing in the processes of production. Workers came into direct confrontation with the measures being imposed by firms and the state, beyond the

limits of their ostensible institutional weakness. Not only did workers undermine efforts to resolve crises through intensifying workplace discipline or squeezing wages in the drive towards improved productivity or stabilisation, they also opened possibilities for alternatives to such resolutions. The trajectory of ISI in Chile and Argentina was not the inevitable march toward failure condemned by its critics, nor was it determined by institutions, ideas, or class. Instead, it was determined within the workplace with profound implications for those actors – firms, the state, and workers – active within it.

Whilst engagements between these actors began in the workplace, I have shown that they also had an impact far beyond them. Changes to production brought about changes to work which, in turn, gave rise to new forms of resistance and mobilisation. Firms and the state attempted to retain control over these growing conflicts within the leading sectors of manufacturing through traditional methods of repression and the imposition of workplace discipline. In turn, workers' experiences of these strategies and their relationships with institutions and ideas determined the extent of their challenge to firms and the state. In Chile, this challenge was characterised by fragmented political institutions of labour, pervasive radical socialist ideas, and the relatively cohesive political autonomy of the working class. In Argentina, it was characterised by coherent political institutions of labour, the predominance of the nationalist political ideas, and a relative lack of political autonomy. Therefore, by contesting changes as these distinctive political subjects, workers directly constituted the trajectories of ISI by forcing firms and the state to pursue new strategies for political control in the workplace and beyond.

I will conclude, therefore, by highlighting precisely how workers were able to determine these trajectories of ISI, emphasising the five key aspects of the integrated methodological framework I have developed for understanding workers' political influence. The perspective I have developed reconnects work, resistance, and subjectivity and emphasises the political autonomy of the working class to go beyond understanding workers as an "interest group", as "labour", or as a "social subject". Instead, it demonstrates how workers mobilised collectively as active political subjects and how this enabled them to contest the relations in and of production. ISI's persistence and breakdown, in this view, cannot be understood as the continued pursuit of a model with intrinsic contradictions, as the accumulation of tensions around relatively stable political and economic institutions, as the failure to secure consensus or

of political elites to exert their will through clearly articulated ideas, or as the inherent weakness of social coalitions led by dominant social classes to impose their will.

Alternatively, I have shown that the emergence of ISI was the consolidation of protection for domestic firms not just from the vicissitudes of the international political economy, but, most importantly, from the emergent industrial working classes. I have shown that the consolidation of ISI was not the contradictions of the exhaustion of an "easy phase", but rather the imposition and deepening of this protection for firms and of their reproduction of "inefficient" production processes and networks that would secure their political control in the workplace. Finally, I have shown that the breakdown of ISI was neither inevitable, nor the simple accumulation of tensions and conflicts. Instead, the breakdown of ISI was the failure of firms and their political allies to exert control over the emergent political subjects of the working class and a direct response to the threat workers came to pose not just within the workplace, but also increasingly beyond it. Therefore, I have demonstrated the significance of these cases for understanding the role of the working class, for conceptualising the formation and composition of its political influence, and for recognising the constraints that were imposed upon it. Most importantly, I have shown how this alternative conceptualisation of the political subject of the working class can shed new light on the trajectories of ISI in Latin America.

The Workplace Politics of Production in Chile and Argentina

In this section I will detail the first and second significant contributions of this thesis, showing how the methodological framework developed in chapter 1 allows us to understand the continuing significance of the working class as an active political subject. The politics of production were characterised by varying degrees of personalised control and impersonalised discipline manifested either in strict managerial authority or workplace organisation. The experiences of work and resistance engendered by these relations in production produced a focus for workers' discontent either against leading firms in the sector or the repressive state apparatus that sustained these relations. Such grievances were given meaning by prevailing socialist or

nationalist ideas disseminated by activists or institutions, but interpreted around the experiences and struggles of workers. It was these determinations that constituted the historical process of class formation, with workers in Chile mobilised around local conceptions of socialism targeting the domestic monopolies that prevailed in the textile sector and workers in Argentina mobilising around increasingly radical notions of nationalism to target the repressive alliance between foreign firms and the authoritarian state. The outcomes of these struggles, most significantly, were determined by the varying degrees of workers' political autonomy. In Chile, this was far greater, resulting in the formation of radical political institutions of the working class, whilst in Argentina it was constrained by the more prominent and coherent political institutions of labour.

Discipline and Control in the Social Spaces of Production

The workplace provides an integral starting point for understanding not just the imposition of control over the working class, but also the limitations upon it. There were important differences between the workplaces of textile production in Chile and metalworking and automobile production in Argentina. This, however, isn't as simple as posing a traditional sector of manufacturing, with its relative backwardness, outdated production methods, and endemic problems of scale and organisation, with relatively modern establishments producing durable consumer goods. In both cases there was a clear division, for example, between leading monopoly firms, either domestically or foreign-owned, and the plethora of smaller establishments and workshops incorporated into local production networks. These smaller firms provided parts or outsourced the production of simple inputs, such as in the automobile sector and some areas of metalworking in Argentina, produced lower-value consumer goods reliant upon the more sophisticated mass-production techniques of the larger firms, such as in the relationship between clothing and cotton textiles in Chile, or operated in more marginal sectors of the economy, such as silk weaving in Chile or less sophisticated areas of metalworking in Argentina. Even the automobile sector, the archetype of advanced industrial manufacturing during the twentieth century, shared these characteristics. Despite access to extensive international networks of capital, technology, inputs, and distribution, as well as to foreign parts suppliers that followed producing firms, these

firms continued to rely on small-scale domestic workshops, incorporated as outsourced suppliers and reliant on traditional forms of workplace organisation and control.

Nevertheless, the differences across these sectors gave rise to distinctive relations in production and experiences of work that were also important. In the textile sector in Chile, there was a far more persistent and explicit paternalism permeating relations between workers and their employers. Leading firms within the cotton weaving sector, including Yarur, Sumar, Hirmas, and Said, relied on the paternalistic figure of the *patrón* to a very clear extent during the establishment and consolidation phases of ISI. Peter Winn (1986) has documented this with great depth for the case of Yarur, but it is also clear that this was not atypical within the sector. Managerial methods documented in smaller firms illustrate the prominence of strict forms of control imposed upon workers. The import of advanced machinery that made Chile one of the most technologically sophisticated textile sectors in Latin America, moreover, did not wholly displace this particularly intensive and "personalised" workplace control. By the 1960s, nevertheless, there was a shift toward the adoption of workplace discipline exercised through the production process. This marked an important turning point in workplace conflicts and moved the locus around which these were generated away from the figure of the *patrón* to the wider changes in production permeating the sector. The new emphasis on workplace discipline, combined with the long history of personalised control, characterised Chilean textile relations in production as ISI came to an end.

In the metalworking and automobile sectors of Argentina, the influence of rationalisation within the production process, of concerns for raising productivity through the implementation of new forms of workplace organisation, and the far stronger presence of foreign firms characterised the workplace. Personalised forms of control and outdated workplace organisation did persist during the earlier establishment phases of ISI in metalworking. However, by the late 1940s and early 1950s this changed with the increasing clamour to reinstate workplace discipline alongside significant levels of foreign investment, calls that came both from leading firms and their representatives and from key actors within the state. Although the pace of this investment and the concomitant transformation of relations in production didn't reach its peak until the consolidated phase of disciplinary modernisation during the late 1950s and early 1960s, when it did arrive its impact was profound. Absorbing particular

production processes and managerial techniques from the leading sectors of automobile production, domestic firms underwent dramatic changes. Integration into local production networks brought new competitive pressures and contractual demands upon these firms, but also led to the development of distinctive relations within the foreign firms that headed up these networks. These firms did not rely upon the most advanced technology, but rather imported outdated machinery and combined relatively advanced forms of discipline with traditional methods of control in these relations in production.

The Significance of Experience in Work and Resistance

Experiences of work and resistance were derived from the structurally determined imperatives of production and the impact of these relations in production within the workplace and beyond. First, the personalised forms of control, manifested in a variety of relations in production including the paternalistic *patrón* or the authoritarian attitudes of the management of foreign-controlled firms, produced a particular subjective focus for discontent. Second, the consolidation of disciplinary modernisation served to intensify impersonal forms of discipline that exacerbated the sense of exploitation and fragmentation, but which also induced a wider societisation and solidarity within and beyond the workplace. Grievances centred on an array of factors including traditional concerns over wages and working conditions, the lack of adequate representation and political organisation, attitudes and intransigence of employers, and the rigours of the production process itself. Resistance was manifested within the workplace prior to its mobilisation in strikes, protests, and other forms of political action. It was the combination of workplace grievances and resistance that produced mobilisations throughout these leading sectors of industrial manufacturing in Chile and Argentina.

In the textile sector in Chile, the symbolic importance of the *patrón* gave a deeply personal character to resistance within the workplace. From the “ex-victims” of the 1930s silk weaving sector harassed by their employers who stalked the factory floor, wristwatch in hand, imposing arbitrary fines and punishments, to the young female workers in the large cotton weaving firms of the 1960s exposed for the first time to strict production targets and the monitoring of an increasing number of advanced machines, a deeply ingrained managerial authority prevailed. Responses to any signs of

dissent were met by efforts to ensure the reinstatement of this authority, with opposition and conflict manifested in its stark rejection. Strikes and protests, as a result, quickly spread beyond individual factories to incorporate organised and unorganised workers throughout the various branches of this sector. They also tended to last for a significant period of time, from days to weeks to even months, with measures taken to prevent the reassertion of workplace control up to, and including, occupation of the factories. The shift to more impersonal forms of discipline, moreover, led to a move away from direct opposition to the owners of firms to the targeting of the monopoly control of the sector as a whole. Large firms came to be associated with this particular form of ownership, giving rise, by the 1970s, to a particular sense of conflict between the workers throughout the sector and their employers beyond conditions of work and wages and towards a fundamental effort to transform control over the production process itself.

In the metalworking and automobile sectors of Argentina, repressive forms of control were exercised from within and beyond the workplace. Close relations between the political institutions of labour and the state helped to restrict antagonism towards the owners of firms. Coercive practices permitted the more widespread and less contested dissemination of workplace discipline imposed internally through the production process. Experiences of work were, therefore, less about conflicts over managerial authority and, instead, typified by resistance against the imposition of intensifying production rhythms and efforts to hold down wages relative to productivity. For metalworkers, this restricted scope for conflict was particularly pronounced, but for workers in the automobile plants inside and outside Buenos Aires, resistance was also targeted primarily at issues of workplace control. Particularly in Córdoba there was a far more homogeneous experience of work and disciplinary strategies that belied the relative novelty of the automobile sector. Workers here pioneered new strategies, including increasingly violent forms of factory occupation, which directly posed a challenge to the authority of some of the leading foreign firms. Nevertheless, these actions were typically suppressed by the repressive apparatus of the state and the political institutions of labour. As a result, by the 1970s, increasingly widespread workplace conflicts descended into an increasing sense of disarticulation as traditional bargaining systems began to crumble and the limitations and constraints they imposed

became increasingly apparent. The conflicts that emerged, then, became as much about confronting control in the workplace as about intensifying political conflict beyond it.

Politicisation and the Subjectivities of the Working Class

Workers' engagements with prevailing political institutions of labour and the activists within them were significant in mobilising protest beyond the workplace. Most importantly, they were important in terms of the ideas these institutions and activists disseminated in the formation of distinctive political subjectivities. Distinguishing this process of politicisation from resistance and mobilisation is vital for understanding the political influence of workers as it was established from within the workplace. The emphasis in this thesis has been on distinguishing the material processes upon which the subjective interpretation of workplace conflict has been constructed. Such an analytical process, beyond simply representing an acknowledgement of the important role of ideas in giving meaning to mobilisation, allows for a specification of how and in what ways workers attempted to extend conflicts beyond the workplace. There is no foregone conclusion as to the political influence of the working class. This is determined, on the one hand, by the concrete material conditions of work, manifested in the production process, prevailing relations in production, and the continual experience of work and resistance. On the other hand, it is the outcome of the subjective interpretation of that experience of work, the meaning applied to it by prevailing political ideas, by political activists that come into contact directly with these struggles, and, in the course of this engagement, the changes wrought to the very meaning of the political ideas themselves.

In the textile sector in Chile, prevailing socialist political ideas took on a specific meaning as they were mobilised within and around workplace conflicts. As has been shown, socialism, as an abstract political idea, retained a strong degree of salience throughout the country. Despite periods of political repression, the PC and PS played a role in the state and, to a greater extent, the political institutions of labour. It was the PC that was particularly prominent in the textile sector and, despite its period of relative repression during the 1940s and 1950s, it played an increasingly significant role in politicising the struggles against management authority and workplace control. First, anti-imperialism equated the monopoly control of the largest textile firms with the

predominance of foreign capital and influence of international political institutions over the economy. Second, nationalism contrasted the interests of firms and those of workers in terms that took on significance beyond issues of redistribution and work. Third, democracy took on a particular meaning in the relatively under-represented workplaces of the textile sector, incorporating calls for greater political organisation and respect for the legally instituted bargaining systems. The culmination of this politicisation was most apparent, moreover, in the 1970s when workers mobilised beyond the "peaceful road to socialism". So-called "radicalisation" in this period did not emerge from the political militancy of these years, but, as has been shown, was linked more fundamentally to this ongoing politicisation that had begun in previous decades.

In the metalworking and automobile sectors of Argentina, it was not socialism, but the nationalist ideas of Peronism that took the leading role in politicising the experience and resistance of the workers. The Peronist interpretation of the role of the worker, of the character and prospects for industrialisation, and of the relationship between firms and the state dominated the ideological sphere after 1946. It did, however, in terms of the relationship between workers, firms, and the state, reflect earlier ideological tendencies that had begun to consolidate themselves during the 1930s. As such, these ideas developed a saliency that belied their ostensibly external imposition, providing an interpretation of the meaning and limitations of workplace struggle, offering resolutions, and a distinctive vision of working class political influence. The pillars of anti-imperialism, nationalism, and democracy were prominent, but acquired significantly different meaning. The focus was firmly upon resistance and mobilisation as a means to secure negotiated settlement. The ideology of Peronism, despite the ostensible instability of this period, emphasised restraint and social peace for national economic development. Despite the prominence of Peronism, however, other radical political ideas retained an influence. Radical Trotskyist groups, the Communist Party, and dissident Peronists came to the fore after 1955, resulting in a radical politicisation of workers' experience, particularly in the automobile sector. As workplace conflict intensified and mobilisation took on new forms, anti-imperialist, nationalist, and democratic ideas took on new meaning in the "radicalisation" of the 1960s and 1970s.

The Formation of Working Classes in Chile and Argentina

Working class formation was, as an historical process, as contested as workplace strategies of control. There was not an inevitable formation of a coherent working class against which firms and the state would orient their decisions, but instead it was at the nexus of work, resistance, and subjectivity that this formation was determined. As workers contested their experiences of discipline and firms sought to impose control, a societisation around the labour process emerged that, to varying degrees, produced workplace conflict. This was not necessarily "conscious", but derived from experience in the workplace given meaning in engagement with prevailing ideas. As a result, workers in the Chilean textile sector and the metalworking and automobile sectors in Argentina constituted distinct working classes that the strategies of firms and the state had to be articulated against. Overcoming these working classes was a primary concern in the decisions of firms and the state. For example, it was not uncommon for the problems facing ISI to be linked to "reasserting the right of managers to manage", "disciplining the militant labour movement", or "inefficiency" in workplace organisation. Workers' political influence, therefore, and the threat it increasingly posed to the strategies of firms and the state was given distinctive meaning in locally constituted processes of class formation around work, resistance, and subjectivity.

In Chile, workers in the textile sector came to constitute a relatively coherent, well-organised, and independent working class. Despite the imposition of relatively strict paternalistic control and later efforts to impose discipline through new managerial techniques and forms of workplace organisation, there was a relatively cohesive centripetal process of societisation that countered centrifugal efforts to fragment workers within and between the workplaces of the sector. First, rooted in the history of Chilean working class conflict, was an existing solidarity within and beyond the workplace. Second, this was concretely manifested in the changing labour processes of textile production. Paternalism, whilst acting as a relatively effective form of control during periods of relatively high levels of political repression during the 1930s and late 1950s, intensified the homogeneity of experience. Third, this solidarity was enhanced by efforts to introduce disciplinary forms of reorganisation into a relatively conflictive political context. As a result, the intensified work processes and repressive practices required to implement such measures, combined with the personalised grievances

derived from earlier experiences of paternalism, strengthened the homogeneity of experience and concomitant workplace societisation. Finally, political ideas of socialism and meanings that were ascribed to them ensured grievances would result in a deeply radicalised process of politicisation. This culminated in the 1970s when the meaning of socialism was dramatically transformed by the demands of the working class.

In Argentina, the oft-cited prominence of workers during the period of ISI was belied by their relative marginalisation linked to the less coherent, less cohesive, and, ultimately, less independent process of working class formation. In the metalworking and automobile sectors, there was a far more effective imposition of centrifugal forms of fragmentation in the form of a relatively thorough imposition of "rationalised" workplace reorganisation. This replaced the personalised authority of management with the discipline of the production process and helped to restrict the centripetal process of societisation. The differences with Chile, however, should not be overplayed. Despite the closer institutional collaboration with the state, workplace conflict did not dissipate as strongly as commonly assumed and was concretely manifested around the particular relations in production of these sectors, with foreign ownership giving workers a prominent target for their grievances. The explicit priority given to productivity increases, in conjunction with support of repressive political regimes during the 1950s and 1960s, intensified the homogeneity of experience and workplace societisation. By the end of the 1960s, therefore, workers, increasingly seeing their demands and grievances unmet by the prevailing forms of representation, mobilised with increasing veracity, with an increasingly radical working class beginning to emerge into the 1970s.

Political Autonomy and the Influence of the Working Class

The ability of workers to contest the strategies of firms and the state derived not from the political institutions that represented it, but, instead, from workers' political autonomy from these strategies and institutions themselves. Workplace conflict was central to the consolidation of the working class as a political subject, pursuing aims within, but also against, the prevailing trajectory of ISI. As such, special attention has been paid throughout the thesis to the tension between the distinctive forms through which this autonomy was manifested and the constraints imposed upon it. In Chile,

workers were able to exercise a far greater degree of autonomy in contrast to those in Argentina. Their autonomy, manifested in the lack of constraint by the political institutions of labour, allowed for a more substantive political influence and the formation of a potentially revolutionary political subject. In Argentina, the fragmentation of the working class caused by the relative coherence of the political institutions of labour and the constraints they were able to impose prevented the establishment of a comparable political subject. The prominent influence of these constraints prevented the formation of autonomous political institutions of the working class, creating intractable conflict and the conditions for the violent breakdown of ISI.

In Chile, efforts to mediate the radical autonomy of the working class were few and tended to result in only the further politicisation of workplace conflict. The Labour Code, implemented in stages between 1924 and 1931, the Popular Front, and the establishment of the CUT served to politicise rather than undermine this autonomy. The fragmented establishment of the political institutions of labour, the empowerment and short-term limitations that accompanied the fragile coalition with the state, and the relatively organic link that was formed between workers and this trade union federation consolidated solidarity within and beyond the workplace around a militant political radicalism. The political institutions of labour remained relatively weak and fragmented and, as such, were reliant on the potential strength derived from the autonomy of the working class. The prominence of socialist political ideas compounded this dynamic, giving an increasing radicalism to workers' struggles. This culminated in the events of the 1970s, during which time the working class constituted a revolutionary political subject that transcended even the socialist UP. This revolutionary potential had been apparent in previous conflicts, but came to the fore amidst struggles over the meaning and direction of the socialist transformation. In contesting workplace discipline, workers came to establish political institutions of the working class – the *cordones industriales* – that began to transform the prevailing relations in and of production.

In Argentina, efforts to mediate and restrain the working class were far more pervasive, placing significant constraints on the potential of its autonomy and refocusing the locus of conflict around the political institutions of labour. Initially, the establishment of these institutions relied on the potential strength of the working class to retain their influence. Yet whilst there was limited space for the radical politicisation of conflicts, these

institutions helped undermine the centripetal potential of societisation within and beyond the workplace. As has been argued through this thesis, it was their rise to prominence that prevented the resurgence of working class autonomy after 1955 and 1969 from resulting in a wider confrontation over the relations of production. By the 1970s, the working class in Argentina remained deeply fragmented. With tensions growing as the limits of disciplinary modernisation became apparent to workers and firms, the restricted autonomy of workers constrained the formation of political institutions of the working class. Whilst alternative political institutions did emerge, particularly in the automobile sector, they were quickly overwhelmed by the rising tide of violent conflict. As a result, whilst workers continually pushed against the prevailing relations in production, they were unable to confront relations of production.

Towards an Alternative Trajectory of ISI

In this final section, I will outline the third significant contribution of the thesis, showing how the framework I have developed that establishes a meaningful role for workers enables the construction of a "counter-narrative" on the trajectory of ISI in Chile and Argentina. In this perspective, its persistence and breakdown were the outcome of deepening workplace conflicts confronting attempts by firms, the state, and the political institutions of labour to exert discipline and control. Understanding these outcomes, I have argued, cannot come from refocusing on institutions, ideas, or class alone, as they only reproduce the limits on understanding the political influence and significance of workers. Instead, I have shown how the alternative integrated methodological framework I have developed can be applied to provide new insights into the trajectories of ISI in Latin America. I have shown how the extent to which workers confronted firms and the state, as well as their formation as distinctive political subjects, determined the persistence and eventual violent breakdown of ISI from within the workplace. The outcomes of these confrontations were mostly contained within prevailing relations of production, through the imposition of particular relations in production. However, I have also shown how varying degrees of working class autonomy were central to the articulation of potential alternatives to relations both in

and of production, which, in turn, produced responses by firms and the state that engendered the violent backlashes of the 1970s.

The (Un)Expected Emergence of Industrial Planning

The importance of the Depression in setting the course for the emergence of ISI in Latin America was not to initiate an "easy phase" of industrial manufacturing, in which rapidly rising output of domestic consumer goods increasingly filled the gap left by the collapse of the world market. Instead, as has been shown in these two case studies, its most significant impact was to relocate and intensify the political tensions that were emerging within continually growing sectors of industrial manufacturing. The emergence and consolidation of an easy phase of ISI has been shown in the thesis to provide a wholly inadequate starting point for understanding the changes brought about under ISI and their significance for firms, the state, and the working class. Resurgent workplace conflicts and their spread to the major cities posed an increasingly prominent threat. As such, attempts to reinforce repressive measures within and beyond the workplace were imposed to varying degrees. Strict managerial authority, restricted forms of political organisation, and direct repression were all attempted to constrain workers' demands within and around the conflicts that ensued throughout these sectors.

The manifest failure of these attempts at political control, however, led to the inadvertent emergence and consolidation of early forms of industrial planning. State intervention increased as a means, primarily, to address the emerging tensions within sectors that were experiencing increasingly rapid growth. In Argentina, this intervention provided a means to resolve tensions without resorting to overt violence. Partial negotiated wage settlements delivered through increasingly prominent political institutions of labour pacified the working class and sustained policies that did little to workers' benefit. However, in Chile, without the existence of relatively supportive political institutions, or rather with the existence of those more concretely linked to radical political struggles of the working class, populist forms of ISI characterised by more favourable state intervention and a growing political influence of workers were established. Most significantly, however, in both countries it was the political institutions of labour that came to most directly mediate workers' political influence

and, as a result, this led to the increasing pacification of workplace conflict and limits on the imperatives that drove firms and the state to adopt relatively conciliatory and, at times, even progressive measures to foment industrial growth. As a result, the pacification of the working class was necessarily short-lived. Therefore, rather than create new political tensions around innate contradictions or around inadequate institutions, the emergence of ISI led to the consolidation of existing conflicts and their relocation to these sectors of manufacturing that were rapidly increasing in significance.

The Consolidation of Disciplinary Modernisation

The limitations on the so-called "easy phase", or rather the limitations of populist resolutions to the consolidation of prevalent political conflicts within and around the workplaces of industrial manufacturing, quickly became apparent. Whilst the persistence of these limitations has been the source of much of the condemnation of ISI in Latin America, they are poorly understood. Much of the growing state intervention that accompanied and encouraged the rapid growth of the manufacturing sector led to the consolidation of ostensible inefficiencies within many of the leading sectors – textiles in Chile, metalworking in Argentina – in their industrial structures and production processes. These "inefficiencies", however, represented the basis for the consolidation of control as a means to resolve and repress workplace conflicts and to undermine the emerging political influence of the working class. Workers within manufacturing were deliberately fragmented across inefficient, vertically-integrated production networks where the largest firms at the top were able to exercise the strictest forms of political control, backed as they were by domestic monopolies, foreign TNCs, or the state. Yet the repressive measures required to sustain these networks from beyond the workplace were necessarily limited. As a result, the outcome was a resurgence of workplace conflict. Moreover, the political tensions that emerged in this phase were not the result of any "exhaustion" of consumer goods production or the inability of political elites to embed their policy ideas. Instead they represented the limits of these constraints of structural inefficiency and external repression to exert control over the working class.

In both cases, the resurgence of workplace conflict engendered the implementation of new measures to deepen discipline and control within and beyond the workplace. The

emergence of "disciplinary modernisation" as a second phase in the consolidation of ISI was typified by renewed repression against the political institutions of labour and, to an even greater extent, the autonomous mobilisations of workers. Most importantly, this was accompanied by the intensification of efforts to impose disciplinary relations in production through new technology and management techniques focused on increasing productivity and reorganising the workplace, without addressing the structural inefficiencies necessary to earlier forms of control. In particular, these measures were introduced with most veracity in the leading firms. This explains why the locus of political conflict around ISI shifted in Chile, from smaller, more marginal silk weaving to the largest cotton weaving plants, and, in Argentina, from metalworking to the automobile sector. The growing homogeneity of experiences of discipline reintroduced a process of societisation that enabled workers to mobilise around their political autonomy rather than the political institutions of labour. The result of disciplinary modernisation was, therefore, a radicalisation of workplace conflict. Again, this was not a process that can be explained through intrinsic contradictions of the "exhaustion" of ISI, nor as the failure of political elites to embed ostensible "resolutions" to growing crises. Instead, this radicalisation was the direct outcome of firm and state strategies to deepen discipline within, as well as beyond, the workplace, the growing homogeneity of experience it produced, and the consolidation of working class political autonomy.

The Avoidable Inevitability of the Breakdown of ISI

By the mid-1960s, the trajectories of ISI in Chile and Argentina had reached a crossroads, as the process of radicalisation that had been an intrinsic feature of the earlier attempts to resolve crises through the deepening of discipline and control was manifested most concretely. The breakdown of ISI, therefore, was neither the inevitable outcome of internal contradictions within the "model" nor the inability of dominant social coalitions to impose their will upon subordinate classes. Instead, it represented the culmination of confrontation between two tendencies within the trajectories of ISI. On the one hand, firms, the state, and the political institutions of labour reached the apogee of their attempts to impose discipline and control over workers. On the other hand, the political autonomy of the working class was consolidated around its radical

politicisation within and beyond the workplace. Workers had continually posed a threat to the prevailing forms of authority. However, by the 1970s, the political tensions that had been engendered produced increasingly significant political mobilisations that represented both the contemporary political conjuncture and also, most importantly, the tensions between workers and the various constraints that had been imposed upon them.

In Chile and Argentina, it was the threat posed by this resurgence of the working class and its potential to confront firms and the state as a coherent and cohesive political subject that led to the violent breakdown of ISI. The most interesting aspect of this need to resort to overt forms of repression was in highlighting the continual failure of these ostensibly powerful political actors – the established apparatus of the state, powerful TNCs, domestic monopolies, and their international political supporters – to impose discipline and control. It is this continual failure to adequately resolve or repress workplace conflict that allows a tentatively optimistic conclusion to this thesis. Whilst the resort to violence engendered a brutal period of repression and a dramatic reversal of many of the relatively progressive compromises that had been established throughout the decades of ISI, the necessity of violence for the interests of dominant firms and their political allies highlights the potential that existed in nascent forms of political organisation. In Chile, the *cordones industriales*, as political institutions of the working class developed from the concrete experiences and struggles emanating from within the workplace, offered a potential insight to the changes that these conflicts could have created. In Argentina, moreover, the radical forms of workplace organisation that were established around the automobile sector and some sectors of metalworking also emphasised the political potential of working class autonomy. These organisations, mobilised from within the workplace and reflecting the latent solidarity that persisted within it, challenged not only the Peronist political institutions of labour, but also the authority of some of the most powerful firms in the country and the authoritarian state. These examples, therefore, continue to be an important reminder of not only the scholarly importance of bringing the working class back in, but also the persistent political significance of Marx's "grave-diggers" as autonomous political subjects.

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